

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—TWENTY-NINTH PARLIAMENT

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TO THE TWENTY-NINTH DAY OF MARCH, 1974, INCLUSIVE

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HOUSE OF COMMONS

Wednesday, February 27, 1974

[*English*]

SECOND SESSION—TWENTY-NINTH PARLIAMENT—OPENING

The Parliament which had been prorogued on the twenty-sixth day of February, 1974, met this day at Ottawa for the dispatch of business.

The House met at eleven o'clock, the Speaker in the chair.

Mr. Speaker read a communication from the Secretary to the Governor General, announcing that His Excellency the Governor General would proceed to the Senate chamber at 10.40 a.m. on this day for the purpose of formally opening the second session of the twenty-ninth Parliament of Canada.

A message was delivered by Major A. G. Vandelac, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Excellency the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

● (1150)

And the House being returned to the Commons chamber:

* * *

[*Translation*]

OATHS OF OFFICE

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

Motion agreed to and bill read the first time.

* * *

[*English*]

SPEECH FROM THE THRONE

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

[*French text*]

Honourable Members of the Senate,

Members of the House of Commons,

I have the honour to welcome you to the Second Session of the 29th Parliament of Canada.

In addressing you for the first time, I should like to express my feeling of honour at having been chosen Her Majesty's representative in Canada. As I said at the time of my investiture, the office which I have the honour to hold has a continuous history of three and a half centuries. I am anticipating with pleasure the opportunity to travel in Canada and to meet citizens from all walks of life.

We look forward to the visit of Queen Elizabeth, The Queen Mother, for whom all Canadians have a great affection. She will be in Canada from June 25th to June 30th to present new colours to the Toronto Scottish and to the Black Watch (Royal Highland Regiment) of Canada; Her Majesty is Colonel-in-Chief of both regiments.

[*English text*]

I speak to you at a time of serious disturbance in the international economic situation, arising from problems of supply and price of certain commodities, particularly oil.

Most countries, developed and developing, witnessed significant economic expansion in 1973. The economic prospects for 1974 seemed, until recently, no less encouraging. The reduction of the amount of oil exported by some of the major producing countries and the increase in price has brought a sudden and dramatic change in this situation.

For the developing countries of the world, the increased cost of oil has in many cases wiped out the small margins on which they depended for economic development and better means to support their growing populations. For the industrialized countries, of which Canada is one of the few close to being self-reliant in oil and energy generally, it means that many of them will incur large balance of payments deficits and will have to find means of financing them. For the world as a whole, it could mean an over-all reduction in demand with a consequent depressing effect on economic activity.

The Government attaches the highest importance to solving these problems through concerted international action and co-ordination of national policies. The meeting of the major oil importing countries was a first step in this direction. It will be followed by meetings with the oil producing states and the developing countries. The United Nations, the International Monetary Fund, the World Bank and other international organizations will also become actively involved.

In working toward a solution of these international economic problems the major consuming countries must recognize the legitimate aspirations of all the producing countries to utilize their resources to assist in their own national economic development. But the developed world, as well as the resource-rich countries of the developing world, must also take increasingly vigorous steps to reduce disparities between themselves and the less developed and less fortunate nations.

[*French text*]

While the developments affecting the supply and price of oil are in part the product of special circumstances, the underlying situation thus set in relief is much more general. Food prices have risen sharply as a result of the growth of world population on which has been superimposed serious crop failures in a number of countries. The prices of other internationally-traded commodities have also increased following the simultaneous upsurge in economic activity in all industrialized countries. The increases in the food and commodity sectors have moreover, led to increases in other prices producing generalized inflationary pressures.

No country has been immune from the increase in prices experienced in 1973 and which is continuing in 1974. The phenomenon is worldwide, not an isolated one affecting this or that country alone.

All countries, including Canada, have rejected a deliberately planned slowdown in economic activity as a means to fight inflation. Some

have turned to income and price controls. These attempts have on the whole not been successful.

The Canadian economy, perhaps more than any other, is closely tied to international trade and markets. The principal inflationary pressures have come from outside the country. It would have been singularly inappropriate under such conditions to have resorted to general income and price controls and the Government rejected them for these reasons.

A principal responsibility of the Government and one of its main policy objectives is to maintain high levels of income, production and employment. This policy should in itself help to overcome some of the supply problems which are causing prices to rise. But in addition, and more immediately, the Government's policy in dealing with inflation will be to step in, as it has done in the past, and take specific measures to increase the supply of certain goods and services, to protect those who are not able to protect themselves against the effects of inflation, to cushion consumers against sudden and disruptive price increases of essential commodities, and to prevent any group or groups from taking undue advantage of the current situation at the expense of others.

[*English text*]

In the case of oil, the Government has been concerned about the individual hardships caused by the rise in prices and about the over-all effect of the increase on the economy. Nonetheless, for Canada to become self-reliant and be protected against abrupt changes in supply, prices must be such as to encourage the exploration and development of non-conventional and frontier oil resources. The Government must ensure that a sufficient part of the funds generated by higher prices will be used for such exploration and development. It will introduce legislation to create a national petroleum company which will assure greater Canadian presence and participation in these and other activities. It has announced the extension of the pipeline from the western oil fields to Eastern Canada and the establishment of a single Canadian market which will guarantee an outlet for domestically-produced oil.

In furthering these longer-term objectives, the Government has a duty to manage the economy in the interests of all Canadians, and in particular to moderate the inflationary effects resulting from the oil crisis. It has sought, in co-operation with the provinces, to make sure that the difficult transition to higher oil and energy costs occurs in an orderly way so as to not cause unnecessary disruptions in economic activity, employment and prices. To this end, it must ensure that the price of domestically-produced oil does not increase at an unreasonable rate and that the price of oil be the same in all parts of Canada subject, of course, to transportation costs. Legislation will be introduced to ensure that the responsibilities of the Government in these respects can be effectively discharged.

Discussion with the provinces on the Government's objectives and on the best means of achieving them is continuing. The Government will make every effort to reach agreement on arrangements that will discharge its responsibilities in a way that is fair to the provinces where the main sources of the oil and gas are located as well as to consumers in the country as a whole.

[*French text*]

At the same time as there is increasing concern about shortages in the supply of energy, it is apparent there is an inadequate supply of food in many parts of the world. In some countries the situation has reached critical proportions. In Canada there have not been such serious shortages but international market pressures have forced our food prices upwards. It is clear that this country's production must be increased. The Government is developing a policy on food based on the following objectives:

—an adequate and dependable supply of quality food for a growing population in Canada enjoying a rising standard of living;

—reasonable food prices:

—for the consumer, in not requiring an undue proportion of income for Canadians to secure a sufficient and balanced diet,

—for the producer, in providing a return adequate to encourage production of food items which can be economically and efficiently produced in Canada;

—a continuing supply and increasing production of those food products in which Canada has a competitive advantage for export to commercial markets and also for a contribution to international food aid programs.

The Government's objectives will guide a re-assessment of existing programs in the areas of agriculture and fisheries. The Government will wish to consult with provincial governments, consumer groups and producers.

The producer must be ensured a fair income for his work. His confidence in long-term market opportunities is an essential element in the Government's policy. The producer should have access to all markets in Canada. He will also be encouraged to expand food exports.

The consumer must be ensured a fair value from his dollar. He must be protected against disruptive increases in the price of essential foodstuffs caused by international market demand. Guarantees against unduly low prices to producers must be coupled with guarantees against unduly high prices to consumers.

[*English text*]

In the long term the continuity of domestic supply must take into account optimum over-all land use in Canada and especially the trend to diversion of productive land for non-agricultural purposes. The Government intends to enter into discussions with the provinces since they are vitally involved in this question.

As positive steps in the achievement of adequate supplies of food at a reasonable cost, measures directed in the main at increasing food production will be laid before you in the following areas:

—guaranteed loans and other forms of assistance to both farmers and fishermen to assist them in purchasing or modernizing their equipment;

—amendments to the Export and Import Permits Act to provide the Government with better means to stabilize the Canadian market;

—improving the availability of manpower for food production;

—assistance in the construction of new storage facilities;

—research to make it possible to increase production, improve quality, and lower costs;

—improvements in harbour facilities for fishing fleets;

—incentives to increase Canada's catch of unexploited stocks of fish;

—advance payments on crops to assure producers of timely cash receipts;

—an agricultural stabilization plan to encourage rational production decisions;

—assistance to young farmers to provide sufficient financial incentives for them to establish themselves in farming;

—better veterinary training facilities;

—a prairie grain market insurance plan;

—improvements in Canadian grain rail transportation capabilities;

—increased availability of reasonably priced feed grains;

—incentives to increase the production of livestock necessary to provide for Canadian and export markets.

As part of the Government's economic management, a major element in the policy to mitigate inflation is to increase production and supply: many measures have been indicated with respect to energy and food. Of course, Canadians must strengthen their economy in other ways to expand employment opportunities and achieve a greater degree of control over their economic affairs.

Measures will be proposed to aid small businesses, both financially and by providing better counselling services by the creation of a Federal Business Development Bank. Steps will be taken to ensure further processing of resources in Canada. The Government will encourage the development of the petrochemical industry based on the upgrading of Canadian resources and better access to world markets. Amendments will be proposed to the Bank Act in order to permit provinces to participate in the ownership of banks. An amendment to the Export Development Act will be introduced to encourage further expansion of Canada's foreign trade. Proposals will be made to ensure Canadian control of the computer communications field. Amendments to the Combines Investigation Act, directed at encouraging competition, will be put before you.

[*French text*]

The development and use of technology is also essential to the Government's approach to increasing national economic production. Steps will be taken to obtain greater returns from industrial research and development as well as technological innovation in Canada.

Scientific knowledge and its application is a keystone to meeting the challenges facing Canada, including those in the areas of food, energy or industrial development. The objective of the Government's science policy is the rational generation and acquisition of scientific knowledge and the planned use of science and technology in support of national goals. The Ministry of State for Science and Technology will be developing national science objectives as a basis for exercising enhanced advisory and co-ordinating authority within the Government. Two new granting councils will be formed, one for social sciences and humanities and the other for natural sciences.

[*English text*]

The Government attaches great importance to regional development. Many of the measures to be introduced during this session were discussed at the Western Economic Opportunities Conference, and will be of benefit to all areas of Canada. Transportation in particular is a key factor in regional development. A number of measures will be taken in the larger context of ensuring that Canada's transportation capability supports the Government's national goals and is safe and efficient. Steps will be taken to end any discrimination in freight rates. A new ports policy will be developed to ensure an effective and comprehensive port structure in Canada in a framework where a high degree of local involvement in management and improvement of ports can be established.

Other measures will be taken to increase production and employment through providing workers with improved access to available jobs, and employers with improved access to Canada's manpower. These steps will relate employment policy, immigration policy and the activities of the Unemployment Insurance Commission. The Government will be working together with the provinces in developing a community employment policy in a social security context for those Canadians who have particular and continuing difficulty in getting and keeping employment. Amendments will be introduced to the Unemployment Insurance Act as a part of a comprehensive review of the plan undertaken in the light of the experience of the last few years.

In the domain of social policy the Government is playing a vital role to achieve a more balanced pattern of urban growth and to increase the quality of life in our cities in co-operation with the provinces and municipalities. Improved means of public transportation are indispensable to the achievement of these urban goals. Measures will be introduced to establish a National Urban Transportation Development Corporation to co-ordinate and market the development of required new technology in this field. You will be asked to consider measures to assist provinces and cities in the relocation of railway lines and terminals and in the redevelopment of these areas for purposes that will enhance the environment of many of our cities and towns.

Provision of adequate shelter at reasonable prices in a satisfactory neighbourhood environment has been a continuing concern of the Government, and levels of funding to meet this objective are being reviewed. Substantial assistance to rural and native housing programs will also be proposed. The sewage assistance program will be revised to make it more effective as a means to increase the supply of serviced land. The Government will introduce measures to increase the protection available to consumers in the housing market.

[*French text*]

The Government has taken many measures to improve the status of women in Canada since the Report of the Royal Commission on the Status of Women. Amendments to the statutes of Canada will be placed before you for the purpose of providing equal treatment for women. The legislation to be introduced creating a Federal Commission on Human Rights and Interests will include provisions to protect women from discriminatory practices. Regulations governing government employees will be amended to remove all possible inequities based on sex. Crown corporations will be asked to undertake positive action to encourage the assignment and advancement of more women into responsible positions within their administration. The Government's objective is to create a society free from discrimination.

List of Legislation

The federal and provincial governments have agreed that the Canada and Quebec Pension Plans should be further amended to provide for increases, beyond 1975, in the levels of income upon which contributions may be made, and in the pensions which will be paid. Legislation will be introduced to remove the earnings test now required for people aged 65 to 69 from the Canada Pension Plan. Finally, federal and provincial ministers have agreed that the provisions which now accord differential treatment to men and women under the Canada and Quebec Pension Plans should be removed.

You will be asked to consider other legislative proposals.

[*English text*]

Members of the House of Commons,

The Government intends to present a budget in this session.

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

Honourable Members of the Senate,

Members of the House of Commons,

May Divine Providence guide you in your deliberations.

[*Translation*]

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

That the speech of His Excellency the Governor General delivered this day from the throne to the two houses of parliament, be taken into consideration later today.

Motion agreed to.

[*English*]

Mr. Trudeau: Mr. Speaker, I request leave of the House to table a list of the titles of some of the measures which the government proposes to place before parliament during this session. I would ask, Mr. Speaker, that this list be printed in today's *Hansard*.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The list referred to above follows.*]

1. Legislation establishing a National Petroleum Corporation.

2. Other measures as required relating to oil.

3. Legislation on Cash Advance Payments on Crops.

4. A Bill to amend the Prairie Grain Advance Payments Act.

5. A Bill to amend the Agricultural Stabilization Act.

6. The Grain Market Insurance (Prairie) Act.

7. A Bill to amend the legislation regarding Guaranteed Loans Programs (Fisheries Improvement Loans Act, Farm Improvement Loans Act, Small Businesses Loans Act).

8. A Bill to amend the Export and Import Permits Act.

9. A Bill to amend the Farm Credit Act.

10. A Bill to amend the Fisheries Act.

11. A Bill to amend the Fisheries Development Act.

12. A Bill to amend the Unemployment Insurance Act, 1971.

13. A Bill to amend the Railway Act.

14. A Bill to amend the Bank Act.

15. The Federal Business Development Bank Act.

16. A Bill to amend the Export Development Act.

Internal Economy Commission

17. Legislation regarding the Organization of the Federal Government's Scientific Activities.

18. The Railway Relocation and Crossing Act.

19. A Bill to amend the National Housing Act.

20. Legislation regarding the Status of Women.

21. Legislation establishing a Federal Commission on Human Rights and Interests.

22. A Bill to amend the Canada Pension Plan Act.

23. A Bill to amend the National Parks Act.

24. The Aircraft Registry Act.

25. The CNR Financing and Guarantee Act, 1973.

26. The Canada Business Corporations Act.

27. The Maritime Code (Part I and II).

28. A Bill to amend the Combines Investigation Act.

29. The Environmental Contaminants Act.

30. A Bill to amend the Yukon Act and the Northwest Territories Act.

31. The Motor Vehicle Tire Safety Act.

32. The National Anthem Act.

33. Legislation regarding National Communications (Part I).

34. The Bankruptcy Act, 1974.

35. A Bill to amend the Customs Tariff.

36. A Bill to amend the War Veterans Allowance Act.

37. A Bill to amend the Interest Act.

38. Legislation regarding Uranium and Thorium.

39. Ocean Dumping Legislation.

40. A Bill to amend the Criminal Code.

41. A Bill to amend the Supreme Court Act.

42. A Bill to amend the Canadian Wheat Board Act.

43. A Bill to amend the Food and Drugs Act.

44. A Bill to amend the Canada Assistance Plan Act.

45. Legislation regarding the Control of the Export of Works of Art.

46. Legislation to replace the Juvenile Delinquents Act.

* * *

INTERNAL ECONOMY COMMISSION

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

His Excellency the Governor General transmits to the House of Commons a certified copy of an Order in Council appointing the Honourable Allan Joseph MacEachen, President of the Queen's Privy Council for Canada, the Honourable Charles Mills Drury, President of the Treasury Board, the Honourable Jean Chrétien, Minister of Indian Affairs and Northern Development, and the Honourable Donald Stovel Macdonald, Minister of Energy, Mines and Resources, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter H-9 of the Revised Statutes of Canada, 1970, entituled: An Act respecting the House of Commons.

[Mr. Speaker.]

[*Translation*]

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move, seconded by Mr. MacEachen (Cape Breton Highlands-Canso):

That Gérald Laniel, Esq., member for the electoral district of Beauharnois-Salaberry, be appointed Deputy Chairman of Committees of the Whole House.

Motion agreed to.

APPOINTMENT OF ASSISTANT DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move, seconded by Mr. MacEachen (Cape Breton Highlands-Canso):

That Prosper Boulanger, Esq., member for the electoral district of Mercier, be appointed Assistant Deputy Chairman of Committees of the Whole House.

Motion agreed to.

[*English*]

SITTING SUSPENDED

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I suggest that the sitting be suspended until two o'clock this afternoon.

Mr. Speaker: The House has heard the suggestion made by the right hon. the Prime Minister. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: I now leave the chair and the House will resume the sitting at two o'clock this afternoon.

At 11:58 a.m. the sitting of the House was suspended until 2 p.m.

SITTING RESUMED

The House resumed at 2 p.m.

● (1410)

[*English*]

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. PETER STOLLERY AND SECONDED BY MR. IRÉNÉE PELLETIER

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

Mr. Peter Stollery (Spadina): Mr. Speaker, I move, seconded by the hon. member for Sherbrooke (Mr. Pelle-

tier), that the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Hon. Jules Léger, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

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

My first privilege as mover of the Speech from the Throne is to take this opportunity not only to extend the thanks of this House to His Excellency the Governor General but also to take this opportunity to congratulate him upon his appointment and wish him well as he begins his vice-regal duties.

Some hon. Members: Hear, hear!

Mr. Stollery: Mr. Speaker, it is also appropriate to wish Madame Léger well in her new duties, so important to the success of this office.

Some hon. Members: Hear, hear!

Mr. Stollery: Canada is fortunate to have in our vice-regal couple two people who have spent most of their adult lives in the honoured service of our country and who bring the experience and enlightenment of many years spent in a variety of often difficult and sensitive diplomatic postings abroad. I am sure that I express the feelings of all members of this House in wishing them well.

[*Translation*]

May I also be allowed, Mr. Speaker, to express my gratitude and, I am sure, that of all Canadians, to Mr. and Mrs. Michener for the dash with which they revived those traditions it behoves the Governor General of Canada and his wife to personify.

I am sure I speak on behalf of all the hon. members in expressing my thanks to two very likeable Canadians for a job well done. May they now enjoy many years filled with joy and serenity, assured that they will always be dear to the hearts of all Canadians.

[*English*]

Mr. Speaker, when the Prime Minister (Mr. Trudeau) selected me to do this job of moving the address in reply to the Speech from the Throne, I was in central America.

An hon. Member: Where was he?

Mr. Stollery: He was in his office in Ottawa.

Some hon. Members: Oh, oh!

Mr. Stollery: If hon. members would listen for a moment, they might learn something. Often when I want a fresh look at things I like to go out and think a little bit, as we all do once in a while. I get my bike out and pedal off to see if the old stamina is still there. And it is. I often do it to take a look around, and I would recommend it to some of my hon. friends opposite.

I carry in my saddle-bag a bundle of the latest statistical material relating to the countries I am going through, in this instance the countries of the central American common market, so that I have some indication of what I am looking for and what it means. For example, when in the charming country of Guatemala my curiosity leads me along country roads through villages and picturesque countryside, I am aware that one-third of the population lives totally outside of the money economy. I am aware that the average annual income is $350. I am aware that last May, 17 persons were killed when soldiers tried to prevent 1,000 landless peasants from taking possession of the land. For cycling is not just an exercise and sweating around in the hot tropical sun; cycling brings back something that in Canada we have lost because we spend so much of our time in automobiles cut off from the outside. It brings back that perspective that is found only in the art of smelling things; and there is a great deal to smell around here.

Some hon. Members: Hear, hear!

Mr. Stollery: You have to smell the fresh manure in the early morning streets from the horses and ponies. I am sure many of us remember that same smell here in Canada many years ago. One better understands the value of Canada's recent $5 million loan to the government of Belize when you smell the urine in the tenements and the raw sewage that flows through every creek and every barrio.

I have found that when travelling in a car or bus you tend to get back in and ride on to some air-conditioned hotel and very quickly forget some of the realities of the outside world. But on a bicycle you understand a little better, particularly as the tropical day gets hotter and hotter. The rutted, rotten dirt roads mean a great deal more when you choke on the dust as the sugar cane trucks swirl by. I recommend this to some hon. members opposite. Ten or 12 hours a day like that for a few days is very good for the soul.

This, Mr. Speaker, was the environment I was in when I was contacted and given by the Prime Minister this honourable job of moving the address in reply to the throne speech. Of course, it was an honour for me to be selected for this job, but it was an honour that made me reflect, as I grabbed my stuff and headed for home, what a wonderful country Canada is, a country where an average man like myself can become a member of parliament, spend a year and a half in the most interesting work that I can think of in the world and meet some of the finest people in this country, the other members of parliament.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Stollery: For I do believe that the highest honour to which a Canadian can aspire is that of being elected by his fellow citizens to the House of Commons. But, Mr. Speaker, it is also a heavy responsibility.

[*English*]

It is traditional, Mr. Speaker, in this type of speech to talk about one's constituency. That is well known. As the member for Spadina, I have the good luck to represent one of the most interesting areas in Canada, downtown Toronto. The fact is that Spadina riding is almost synonymous with downtown Toronto. It is difficult even to visit

the city of Toronto without visiting my constituency. That is where many of the hotels are, the shopping, a great part of the waterfront and so many of the things that make Toronto a great city. Toronto city hall, in my constituency, is where so many community political decisions have been made in recent years. This is such a liveable city that it is envied by people across North America and by students of city planning around the world.

● (1420)

The name Spadina, as is known to many hon. members and to many Canadians who live far from Toronto, is the name of the defunct Spadina expressway, that landmark which has become synonymous with the questioning of growth and with the questioning of values of city life and the way we in the cities are growing. I was connected with that issue and in fact it was one of the things that led to my involvement in politics and my own personal decision that if one is going to have strong opinions on issues, the only choice is to become involved in politics in this country.

Some hon. Members: Hear, hear!

Mr. Stollery: Spadina is a famous immigrant riding as well, different from nearly all the other immigrant ridings in this country such as those represented by my colleagues, the hon. member for Parkdale (Mr. Haidasz), the hon. member for Davenport (Mr. Caccia), the hon. member for York Centre (Mr. Walker), the hon. member for York West (Mr. Fleming), the hon. member for Saint-Michel (Miss Bégin), the hon. member for Saint-Denis (Mr. Prud'homme), the hon. member for Montreal-Bourassa (Mr. Trudel) and the hon. member for Vancouver Centre (Mr. Basford). Spadina is unique because it is a receiving area for immigrants. For over 100 years people have been coming into the riding in waves: first from England, the people who gave the name to Kensington market which the Prime Minister visited a couple of years ago, then people from central Europe at the end of the nineteenth century and the beginning of the twentieth century, and more recently it has become the home of many thousand Portuguese and Chinese. The last census registered 33 languages in this constituency.

However, the unique factor is that the people tend to come into the area, spend their first years in Canada there, and then as they adapt to Canada they tend to move on. It has probably the lowest citizenship rate of any riding in the country. It is common knowledge that this is one of the reasons Spadina, with a population of some 90,000, has only about 27,000 voters, one of the eighth or ninth smallest voting populations in Canada. Curiously enough, many of these voters are not immigrants. In fact, in the riding I represent is located the largest apartment shopping complex in the world, with 1,000 people in one building.

I have always been interested in Canada's immigrant policies, even before I became a member representing an area which has this traditional involvement with immigrants. It has been my personal belief, reinforced by my travels to more than 100 countries in the world, that a country is made better by the influx of many people from cosmopolitan backgrounds who bring with them new ways of life to refresh the culture and the social environment.

All these things make us better people, more conscious of the wider world around us.

Some hon. Members: Hear, hear!

Mr. Stollery: It is common knowledge that our Prime Minister enjoys a great deal of prestige outside Canada as well as in Canada. I should like to take a moment at this point to congratulate the Prime Minister on his successful intervention with Russian authorities on behalf of Mr. Eugene Lenko in Kiev.

[*Translation*]

During the adjournment, a few weeks ago, the world has witnessed an example of repression when Soljenitsyn was dispossessed of his Soviet citizenship and sent into exile. I am sure several of us hope that the government of that great nation which is the U.S.S.R., will some day liberalize its policy with respect to human rights and allow its subjects a greater freedom of expression.

[*English*]

Many of us must hope there will be more instances where the Soviet government will release members of families of Canadians who live in the Soviet Union, and that the sort of thing done in respect of Mr. Lenko can be done more often. Again I congratulate the Prime Minister.

It seems to me that in the Speech from the Throne which we have received from the Governor General there are three main themes, three important concerns of all Canadians—the supply of energy, the supply of food, and economic opportunities for the west.

Some hon. Members: Hear, hear!

Mr. Stollery: Here in Canada we have a unique energy situation, one that is more complex than in almost any other country.

An hon. Member: Why?

Mr. Stollery: If you will listen for a minute, you might find out. In other countries of the world the energy situation is simple; either you are a consuming, energy-short nation or you are an oil exporting nation. Canada is both a consuming and a producing nation. This situation requires from the government of Canada policies which are quite different from any other country in the world. The announcement in the throne speech of an international petroleum company to assure greater Canadian presence, participation in and control of the petroleum industry is an important statement. We Canadians have been fortunate, and just how fortunate had not occurred to me until I was in central America.

Some hon. Members: Oh, oh!

Mr. Stollery: As many members will know, the countries of the central American common market have a close economic connection with Florida. The usual things for a traveller to read to get his news, in addition to the local Spanish newspapers and *El Nacional*, the Mexican newspaper, are the English papers from Miami. It brings the seriousness of the situation very much closer when you read a newspaper which says the local gas stations are only open two or three hours a day, and that cars with odd

numbers on their licence plates can get gas on odd dates and cars with even-numbered licence plates can get gas on even dates. Imagine a situation in which it becomes newspaper headlines that the state of Florida is getting an increase in its quota of gasoline, a commodity which is so important to an area dependent upon the tourist industry.

About a week ago last Sunday I visited a small town in Costa Rica with a friend who had a car. To discourage people form using gas on Sundays and to encourage them to use the buses, all the gas pumps had padlocks on them with big official stickers. It occurred to me that we were very, very fortunate in Canada, where this sort of thing has not happened, as I surreptitiously went from gas station to gas station with a plastic pail in an attempt to buy a gallon of gasoline, giving them the story, which was very difficult, that I might become a regular customer.

We have been fortunate in having an energetic minister to handle this complicated situation since it started to develop, and it is with great confidence that I read how the government proposes to continue to expand its policy in order to assure gasoline and other forms of energy to all Canadians at equal prices.

Some hon. Members: Hear, hear!

Mr. Stollery: This is a most important issue which will be resolved, and it seems to me that this government has taken and is continuing to take steps to resolve it in a way that will put Canada in probably the best energy position in the industrial world. We have been fortunate in our natural resources and fortunate in having a government that is planning to use these natural resources to the benefit of all Canadians.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Stollery: It seems to me that world food shortages and energy problems are closely interrelated. Both issues are linked with the commodity situation and are dependent upon international goods and foodstuffs markets. It is therefore particularly timely that this Speech from the Throne should present the provision of reasonable and reliable supplies of foodstuffs at decent prices both for the consumer and the producer as one of the major concerns of this government. The more one reads about the complexity, if not the intricacy, of food markets, about the progressive internationalization of these markets, and the way they elude national legislations, the more one is puzzled by this serious problem.

● (1430)

[*English*]

The price of food in this country has been seriously affected by the fact that the United States dollar has been effectively devalued by approximately 27 per cent since about 1967. That is a truly astonishing reality. The United States dollar has dropped by nearly one-third its value in relation to the currencies of most other countries. For example, it has dropped 36 per cent in the past year compared to the Japanese yen. Unless we should be financiers, most of us do not pay much attention to figures of this type when we see them on the financial page of a newspaper. We might read the *Wall Street Journal* or scan the *Globe and Mail* financial section, but it requires a grounding in economics for these figures to have meaning to a layman like myself.

Over the past year I acquired a grounding in economics and undoubtedly will attain more in the coming year. Of course, the effective devaluation of 27 per cent in the United States dollar affects the life of every Canadian. When Japanese automotive companies or television companies, German steel companies or whatever, sell goods to the United States, which after all is still by far the largest trading area and consuming market in the world, they are paid in United States dollars. What do they do with those United States dollars? The company or industry is interested in protecting its purchasing power. This is a perfectly legitimate interest which has nothing to do with speculation, although the speculators, who I am sure many governments would like to get, artificially accentuate the situation.

The holding of United States dollars today is no way in which to protect your purchasing power, based on the facts. Who wants money that has been devalued by 27 per cent over the past few years, when one may have to buy iron ore, rubber or copper with it and have to exchange that money in order to pay bills in the money of the country which produces the iron ore, the copper or the rubber?

With the political situation that exists in the United States it would be difficult to have great confidence, in the near future, in the United States dollar. So, of course, companies and industries holding cheapening currencies often invest in the one commodity that always maintains its value—food. They buy food futures and drive the price of, say, soybeans, upward. The price of this commodity normally is about $80 a ton, but now it is from $450 to $600 a ton and it has been as high as $700 a ton. We know this type of activity has existed in respect of oil and gold, driving the price of gold from somewhere in the range of $30 an ounce to $175 an ounce. Of course, this is done in respect of food and prices are driven artifically higher which, as I have said, affects the purchasing power of every Canadian.

The Speech from the Throne explains that the commodity price rise is a worldwide phenomenon and mentions this serious disorder in the international economic situation. In that vein the speech proposes reasonable food prices for the consumer and the producer. As I have said, the value of commodities in some of the producing countries has been wiped out by the increase in the price of petroleum. On the other hand, there are countries such as Malaysia which have had a sudden increase in their wealth because of increased commodity prices and some self-sufficiency in respect of petroleum products.

As Canadians, I think we have the right to be resentful if our prices are artificially manipulated by speculators. On the other hand, in all conscience we cannot object too strongly to paying a fair price for some of the items which we import. We cannot object to an increase in the standard of living of deprived field workers in some tropical countries who earn 20 cents or 50 cents a day. As consumers, we cannot object too strongly to paying fair prices to Canadian food producers so long as we receive fair value.

Some hon. Members: Hear, hear!

Mr. Stollery: Mr. Speaker, I have learned a good deal since I became a member of parliament and arrived in this great school for Canadians. Probably the most important thing I have learned has been something of the differences and disparities in this great country of ours. When one reads about regionalism in the newspapers, it does not seem to be very important. However, when one comes to this House of Commons, hears of the various interests represented here covering all areas of Canada and sees the representatives of 265 constituencies in one room, this is a great education to a person as a Canadian.

From Toronto it is a long way to Winnipeg, Saskatoon, Calgary and Vancouver. Last year, when beef prices increased, I prepared a paper for my constituency in the form of a newsletter. I tried to explain some of the difficulties farmers had in producing grain and beef. I think I learned a great deal about the west in the course of discussions with officials of the Department of Agriculture—

Some hon. Members: Oh, oh!

Mr. Stollery: —and other members of parliament regarding the complexities of life of the western farmer about which, of course, I was not aware.

Toronto is a consuming and manufacturing area. Several months ago while attending a meeting I was fascinated when listening to a series of speakers on the difficulties related to transportation in western Canada and some of the inequities. Until then I did not understand that decisions which are made in board rooms affect every westerner. The price of manufactured articles, which is decided to a great extent by the cost of transportation, is not as closely controlled by government as it might be. It was made very clear to me that there is something very wrong about the transportation system in this country. All the complaints I have heard in this House have not been merely political complaints but have been related to some very real problems with which we must deal.

For years I have believed that in the national interest, transportation costs should not cause great disparity in any country. Many countries of the world which operate on this precept know that transportation costs are not as important as national unity. When I speak of Canada, I include the Arctic. If we are to encourage development, transportation costs must be subsidized. I note that in the Speech from the Throne there is a clear declaration that steps will be taken to end discrimination in freight rates. I hope this will be well received in western Canada.

Some hon. Members: Hear, hear!

● (1440)

Mr. Stollery: Canada's approach to international politics has always been, since the days of the late Lester B. Pearson, admired by the world. I am sure it must come as a pleasure and something of a surprise to learn that we are not just respected because of our diplomatic leadership: Canada nowadays is also respected as a financial power and as an important trading nation in the world. International organizations such as the Organization for Economic Co-operation and Development treat Canada with great respect. It is unusual that a country is first a diplomatic power and second a financial power; usually things are the other way around. But today our percentage of world trade is greater than that of Italy, and in the OECD we are considered in the same group as Britain, Germany and France, the middle industrial powers. Our percentage of world trade in manufactured goods has increased tremendously over the past few years. We are no longer considered to be hewers of wood, and we have not been for some time.

The Minister of Finance (Mr. Turner) should be complimented on his incentives to business which have boosted manufacturing investment to record levels and already have produced many new jobs.

Some hon. Members: Hear, hear!

Mr. Stollery: Critics say that we should stop exporting our raw materials and process these materials here in Canada. That is what our policies are aimed at. In fact, in the general area of manufacturing we may be on the threshold of the biggest technological breakthrough in our history if the government of the United Kingdom continues its interest in 18 Canada deuterium-uranium reactors—and it will not matter which government.

Some hon. Members: Hear, hear!

Mr. Stollery: The Speech from the Throne mentions our interest in solving the problems of international economic disorder through some of the international organizations, the United Nations, the International Monetary Fund, the World Bank, etc. This is in keeping with Canada's international approach over the past decade.

The Speech from the Throne suggests that there will be no price and wage controls. Surely, Mr. Speaker, that policy has proven so bankrupt in the two major countries which have tried it, the United States and the United Kingdom, that we should put it to death for a while.

Some hon. Members: Hear, hear!

Mr. Stollery: The United States is facing the worst inflation in its modern history after three years of the Nixon formula. In the United Kingdom, inflation is running at 15 per cent and wage controls have been a disaster to the country. Britain has been socially divided and the controls have been completely ineffective.

Mr. Speaker: Order, please. I must remind the House and the hon. member for Spadina (Mr. Stollery) in particular that his time has expired, unless he has the consent of the House to proceed. Is it agreed?

Some hon. Members: Agreed.

Mr. Stollery: It could almost be said that the wage and price control policy in the United Kingdom has caused more strife than any policy in the recent history of that country.

[*Translation*]

As it was stated in the Speech from the Throne, controlling prices is quite a difficult proposition, while it is all but too easy to control wages. Hence, controlling prices and wages amounts to controlling wages only, as the British experience has shown.

[*English*]

In that country, the hourly-paid worker has been set against society at large, and that can never be a healthy thing for any country. The Canadian government has taken the position that we need policies to protect the working poor, to protect those least able to look after themselves, which is how it should be.

In the last session much was done. The Canada Pension Plan and the Old Age Security Plan have been indexed every three months, and of course family allowances were increased to an average of $20 per child. Certainly all neutral observers take this as the reasonable road to combat inflation, and that is the road this government has taken—not a road which discriminates against one sector of the economy, inevitably the hourly-paid worker, and pits that sector against the rest of the country.

This Speech from the Throne is short and to the point. It covers specific areas to be dealt with by the government. As a Liberal backbencher, I find the point about this Speech from the Throne that is so gratifying is that it reflects to a great extent the views of the Liberal Party members of parliament.

Some hon. Members: Hear, hear!

Mr. Stollery: Before I was elected it was a common enough remark that if you were elected as a Liberal, and the Liberal Party formed the government, you as a backbencher were ignored. That is categorically not true. Many government policies put into effect since I have been here have been initiated from within the ranks of the Liberal Party.

Some hon. Members: Hear, hear!

Mr. Stollery: They are the result of a great deal of consultation with Canadians from all walks of life, and that is how it should be.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, it is a great honour to be chosen by the Right Hon. Prime Minister of Canada (Mr. Trudeau) and his colleagues of the Cabinet to second the motion for the Address in reply to the Speech from the Throne.

This honour is reflected on the constituency of Sherbrooke and on the entire area of the Eastern Townships. I am convinced, Mr. Speaker, that, regardless of political affiliations, the people whom I have the honour of representing in the House recognize the privilege which is mine today and share this happy moment with me.

This task holds even more interest in view of the fact that the mover of the Address in reply to the Speech from the Throne is one of the young members of parliament who can express themselves admirably in both official languages of our country and who also speaks with great fluency the language of Cervantes. I am talking about the hon. member for Spadina (Mr. Stollery). I congratulate him for giving us such an example of perfect multilingualism.

I also share this pleasant moment with my parents, brothers and sisters in Acadia, because even though I represent a Quebec constituency in the House, I have always been proud, Mr. Speaker, of my native province, New Brunswick, and of the charming village of Saint-André de Madawaska, where I was born and spent the best years of my life. I am therefore very proud, Mr. Speaker, of my Acadian origin. Acadians—it is appropriate to note—have written one of the most moving pages of our Canadian history. They are a people who, in spite of the upheavals of history, be they old or new, have always kept the pride of their forebears and have greatly contributed to the economic, social and cultural development of the Maritimes.

For 22 years, a native Canadian has held the important position of chief of State and representative or Her Majesty in Canada. Following in the footsteps of great Canadians like Vincent Massey, Georges Vanier and Roland Mitchener, His Excellency Jules Léger brings to the prestigious position of Governor General of Canada a long experience as a diplomat who, with great ability, distinction and dignity, served Canada abroad for more than two decades. In the name of my constituents and in my own name, I wish His Excellency and Mrs. Jules Léger a happy and fruitful mandate.

Mr. Speaker, it is customary that the mover and seconder of the Address in reply refer to their constituency, its wealth, beauty and characteristics; it is a fine custom. However, I am sure, Mr. Speaker, that my colleagues will not bear me a grudge if I somewhat deviate from the tradition to deal firstly of course with the Sherbrooke constituency and secondly, to make some personal comments on a problem in which I am interested and which concerns an increasing number of people, that is poverty in Canada and throughout the world.

To describe briefly the many attractions of Sherbrooke is almost an impossible task. The third largest centre in Quebec—after of course the metropolitan areas of Montreal and Quebec City—Sherbrooke is often called the Ville Reine des Cantons de l'Est, a city of almost 90,000 inhabitants.

Sherbrooke and the Eastern Townships make up an agglomeration of more than 200,000 inhabitants, an area comprising nine federal constituencies that claim, like Gaspé, Saguenay-Lac-Saint-Jean, the Mauricie and the Laurentians, the title of the most picturesque part of the Beautiful Province.

From a geographic standpoint, the original feature of the Eastern Townships is that they are the only urbanized area in Quebec (between Hull and Quebec City) to be situated outside the axis of the St. Lawrence River. It is a hinterland dominated by Sherbrooke which comprises nearly 60 per cent of the urban population of the area.

In short, Sherbrooke and the Eastern Townships are a town and an area of a rather important size which is endowed with institutions, customs and features of its own; in a word, which has a personality of its own and which makes it different from the other areas of Quebec and Canada.

The Sherbrooke constituency is endowed with two institutions of high learning, which is a unique feature in Canada.

● (1450)

[*English*]

Bishop's University, one of the oldest English-speaking institutions in Quebec, is more than a century old. Bishop's University is an institution which has greatly contributed to the educational, economic, social and cultural advancement of the eastern townships and of the province of Quebec.

The University of Sherbrooke is a young university, which after barely 20 years of existence enjoys a most enviable prestige throughout the academic world. The University Medical Centre has gained during recent years the reputation of being one of the most progressive medical centres in Canada. We also have two CEGEPs, Sherbrooke College and Champlain College, as well as several educational institutions. In our region, the tertiary sector is obviously the better organized. All these institutions are greatly responsible for the development of our youth, the most impressive potential for the Eastern Townships. Youth is a considerable force that we endeavour to develop ever more. We realize that the economic, social, and cultural development of a region, province or country must take maximum advantage of the energy, the enthousiasm and the eagerness of all the elements of society, mostly that of youth; otherwise we deny ourselves a strong momentum which can often spell the difference between failure and success.

For a few years now, Sherbrooke has developed increasingly, through the establishment of an industrial park which has attracted a number of new industries, some of which having received grants from the Department of Regional Economic Expansion. Despite this economic revival, Sherbrooke's secondary sector remains weak. We believe however that in the new agreement between the Quebec government and the federal government regarding areas or regions requiring economic assistance, Sherbrooke and the Eastern Townships will be one of the major priorities.

Sherbrooke is also the seat of an archdiocese, the centennial of which we will be celebrating this year. You are all invited to the celebrations which will be taking place to mark this important event.

Sherbrooke is also an area that is rich in history. Inhabited successively by the Abénaquis, the Loyalists and the French, this region was the birthplace of many great figures in Canadian history. Among the many people who have contributed to the development of Sherbrooke and the Eastern Townships, one must mention Sir Alexander Galt,—

[*English*]

He was the first member of parliament for Sherbrooke, minister of finance in Sir John A. Macdonald's first cabinet and one of the Fathers of Confederation.

[*Translation*]

—and a no less important figure from our area who was one of the greatest politicians of our times, the Right Hon. Louis St. Laurent.

[Mr. Pelletier (Sherbrooke).]

Sherbrooke and the Eastern Townships, finally, are a city and a region where French Canadians, English Canadians and new Canadians have been living in harmony for two centuries and can, in many respects, be set up as an example in Canada.

Mr. Speaker, the people in Sherbrooke and the Eastern Townships are proud, industrious and hospitable. To know them is to like them, and to learn how to like and appreciate them, there is nothing better than to visit them.

[*English*]

Mr. Speaker, in his inaugural address, the late President John F. Kennedy said:

The world is very different now, for man holds in his mortal hands the power to abolish all forms of human poverty and all forms of human life.

[*Translation*]

Mr. Speaker, when one speaks of the poverty problem in the world, there is no need to dramatize: the problem itself is dramatic enough. The fact that 16 per cent of the world population has 72 per cent of the world income and that 54 per cent of the world population has only 8 per cent of the world wealth gives us at once a fairly good idea of the gap between rich and poor countries.

The great problem of our time . . .

—said Nehru,—

. . . is not the division between communists and capitalists, but between poor and rich countries.

That difference, it should be pointed out, appeared after World War II, when most European economies, ruined by the war, received from the wealthiest country in the world, and at the time surely the most powerful on earth, the United States, $20 billion to build up their economy.

It is only after that rather spectacular recovery of Europe that we actually realized that African, Asiatic and South American countries were far behind the developed countries of Europe and North America.

Considering that developing countries have a yearly economic growth rate of 3.6 to 4.5 per cent, while in developed countries that rate is 5 to 8 per cent, one can readily realize that the gap is widening. Three quarters of the world population are undernourished and that, paradoxically, in spite of excess food productions in certain countries.

It has been said over and over again that food products should be shared more equitably. It is a fact that food-deprived countries are faced with enormous financial difficulties. Industrialization is essential to the advancement of underdeveloped countries. This is possible only through capital investments. But the income of most of these countries results from the sale of raw materials, the prices of which have constantly gone down since 1949 on world markets. These countries which must borrow money are already over the threshold of indebtedness. Subsidies and grants are not enough in themselves to ensure the sound economic progress of these countries.

Mr. Speaker, there is the serious problem of reduction in international assistance, a reduction identified by the OECD and resulting from the difficulties with which the more highly developed countries are faced and which have

the tendency to overreact whenever prices on financial markets fall by 1 or 1½ per cent.

Perhaps the current energy crisis will give us one more reason to justify the present very slight effort made by most industrialized countries to help the underdeveloped nations. And yet the economic and energy potential of Canada and that of our neighbours to the south at the international level is enormous. Under all forms of energy Canada is currently using the equivalent of eight and a half tons of coal per capita per year. This is twice the consumption of western Europe and U.S.S.R. It is 160 times that of Asia and Africa.

We are among the most advanced and richest countries in the world. Proportionally, we are producing and consuming more than any nation in the world. Proudly and jealously, we are showing off our wealth to the world.

As a highly scientifically, technologically and technically developed country, Canada with a few other privileged nations has a major responsibility towards the international community and refusing it might have catastrophic consequences for the entire world.

Because of the enormous development of communications in most leading countries, it is no longer possible not to know what is going on at the other end of the world. Every day the underprivileged countries are apprised of our actions.

Obviously, we must admit that poverty is not only the most serious problem of this decade but also the most serious of the twentieth century. People are starving in the midst of affluence.

There is no way this problem can be solved through philanthropic solutions. Individual solutions are of no avail. No campaign against starvation calling for people's charity is efficient.

Underdevelopment is a political, economic and social problem that will not be solved without thorough and radical transformations in the economic, social and mental structures of peoples.

If Canada must constantly meet one of the greatest challenges that ever was, that of living close to a giant while keeping its political, economic and cultural identity, along with our American neighbours and a few other privileged nations of the earth, we are faced with the greatest challenge of the century and perhaps of history: helping the Third World escape the vicious circle of underdevelopment. Without being pessimistic, we must recognize that world peace is impossible when two thirds of mankind are starving.

If the often remarkable successes and feats of Canadians at home have helped enormously in making our country one of the most advanced in many fields, it is imperative that Canadians as a nation give particular attention to poorer and less fortunate countries.

● (1500)

[*English*]

Mr. Maurice Strong, former president of the Canadian International Development Agency, in one of his speeches declared:

There are three overriding influences determining our age, one is the space race, one the nuclear arms race and the third, the development race; Canada has no role to play in the first two, but in the one of the developing countries we can be a major power. We know what development means because we have done it here ourselves.

[*Translation*]

The future of the international community will depend on what rich countries will do to assist the poor ones.

Through rather complicated calculations based on realistic data and time projections, A. P. Thirnall has tried to establish how long Third World countries would take to catch up with the existing per capita income in Common Market countries. The results give food for thought.

In order to equal the existing income in countries of the European Economic Community, Peru would need 359 years, Uganda 356 and Pakistan 1,350. And the per capita income of the Common Market countries is much lower than ours.

Mr. Eppler, Minister of Cooperation of The Federal Republic of Germany, stated recently that the efforts of the rich countries for the economic and social development of poor countries have been so far much too limited and without any follow through and he stated the following:

Aid to the Third World is not a hobby for a few mislead idealists, an indulgence bought to set one's conscience at rest, a compulsory drill for bored politicians, a guarantee of exports for industrialists—but an ambitious attempt to try and make life a little more bearable for all on the "earth" space ship in order to stop it from becoming unbearable for all—an investment for a common future because that future will be common or will not be.

Economic and social development of underdeveloped countries, without being an absolute guarantee for peace in the world, would help considerably to develop greater solidarity and consequently truer international security. On May 29, 1968, the right hon. Prime Minister stated in a speech delivered in this House on the subject of Canada's participation in international co-operation, and I quote:

We accept as a major responsibility of top priority Canada's participation in the program for the economic and social development of developing countries. We will be looking at all possible means to increase the value of our aid programs by concentrating on areas and projects where our bilingualism, our own know-how, and our experience, resources and means make an efficient and truly Canadian contribution possible.

Mr. Speaker, Canada's international effort in recent years increased steadily and I am convinced we must maintain the present progress.

While continuing our efforts towards the economic and social development of our own country we should not forget our responsibilities and duties towards those who share this small planet with us.

On October 4, 1965, before the General Assembly of the United Nations His Holiness Pope Paul VI after stating that development was the new name for peace and modern technology could contribute considerably to the solution of some of our most serious problems, concluded his statement in the following manner:

[*English*]

Now the hour for a halt is upon us, a moment of meditation, of reflection, almost of prayer; a moment to think anew of our common origin, our history, our common destiny. Never before has there been such a need for an appeal to the moral conscience of man as there is today, in an era marked by such human progress. For the peril comes

neither from progress nor from science; on the contrary, properly used, they could resolve many of the great problems which beset mankind. The real peril is in man who has at hand ever more powerful instruments, suited as much to destruction as to the highest conquests.

[*Translation*]

Mr. Speaker, there are also poor people in Canada. There are poor people in each and every wealthy country. As a matter of fact, this may sound somewhat paradoxical, but no nation in the world, however developed it may be, has yet succeeded in eliminating the problem of poverty.

The task that the Canadian government undertook, namely to reduce poverty as much as possible, is an extremely difficult one. In 1966, President Johnson undertook to fight poverty and had a special budget prepared with a view to eliminating it within ten years. Those ten years are almost over and the fate of the poor, according to a recent survey, shows that their position is worse than before.

Economist Leon Keyserling, with whom John Kenneth Galbraith and Sargent Schriver had established the famous Freedom Budget in 1966, said recently, and I quote:

[*English*]

Manifestly, poverty is not a problem of economic costs.

Here in the United States, it is a problem of not having the political and the social and the moral will to place poverty high on the priority list—

[*Translation*]

And a little further, the economist said, and I quote:

[*English*]

Here in this country, where there can be no economic, nor technological excuse for it, poverty is not only a private tragedy but in a sense a public crime. It is above all a challenge to our morality. Materially as well as spiritually, a society afflicted by poverty deprives all of its citizens of security and well-being.

[*Translation*]

Mr. Speaker, the wealthiest country in the world, spending huge amounts, did not succeed in eliminating poverty. If rich countries endeavour to solve at home the problem of poverty, obviously governments must make increased efforts in order to close as much as possible the gap between the rich and the poor.

It has to be noted that Canada acts as a pioneer in this field. Canada is the only country in the world that set up a department whose primary objective is to alleviate as much as possible the disparities that exist between the richer and the poorer regions.

One must also emphasize the fact that Canada is the only country that has, in the past few years, substantially increased and continuously readjusted pensions, allowances and income supplements paid to the most disadvantaged people in the society, that is to say large families, older people, war veterans, etc.

If one of the great principles that has guided the government has been a fairer distribution among the various areas of our country, it is only normal that this should be reflected at the individual level by better living conditions. Incidentally, it should be pointed out that some tax cuts were granted for the benefit of low income families and individuals.

Mr. Speaker, I have the clear impression that we are at a turning point in our history and that every Canadian must realize that the elimination of poverty is one of the worthiest and noblest objectives of any government.

The speech from the throne that will be before us in the next days is well in line with the position of the Canadian government: to eliminate practically all poverty in our country.

The Speech from the Throne announces measures directed at aiding producers and consumers alike, at providing for special assistance to small businesses, at ensuring further processing of raw materials in this country. Greater emphasis will be laid on regional economic expansion and on upgrading the quality of life in urban centres. Measures will be introduced for increasing expenses in the research, industrial progress and technical innovation fields. There are, of course, assistance programs for the farmers; all in all, the aim is to achieve a better distribution of our resources. All these, Mr. Speaker, are concrete measures which reflect the effort of this government to reduce the gap between developed and less developed areas of our country, between the wealthy and the poor.

The time has come for all Canadians, without exception, to do whatever they can to suppress poverty. It is high time, Mr. Speaker, besides, of course, the measures that may be introduced by the federal and provincial governments, that the wealthy people in Toronto help those less fortunate in Moncton. That people in Vancouver help people in Saskatoon. That people in Halifax help people in Rimouski and that people in Montreal help people in Prince Edward Island.

[*English*]

In his inaugural address, President Kennedy said:

If a free society cannot help the many who are poor, it cannot save the few who are rich.

[*Translation*]

Nature has not distributed its riches evenly in all areas of the world and yesterday's rich could be tomorrow's poor.

There was a time in the history of Canada when New Brunswick was the most prosperous province. There was also a time in the history of our country when Quebec was considered the most progressive area. Yesterday, it was Ontario, today it is Alberta and British Columbia. Tomorrow, perhaps it will be Newfoundland, Yukon and the Northwest Territories.

For more than a century, England has dominated the world on the commercial, economic and financial levels. Such was the case in other periods for France, Spain and Russia.

Two world slaughters which cost humanity 50 million human lives, some minor monetary crisis, a minor energy crisis were sufficient to make powers of yesterday experience enormous difficulties from which they may not be able to get out without the help of their friends and their neighbours.

If, on the international level, we want to reduce disparities between rich and poor by further sharing the riches of the earth, the same principle will obviously apply first to every country.

Technology enables us to believe that within a few decades sea resources will perhaps constitute the most

important riches of a State. Thus, Newfoundland, New Brunswick, Nova Scotia and Prince Edward Island may well become enormous supply sources for Manitoba, Saskatchewan and Alberta.

At the rate industrialized countries are polluting our planet, drinking water will perhaps become the object of the greatest demand in Canada. In that case, Quebec could become the main supply source of drinking water for several Canadian provinces.

If, as provinces and as individuals, we share our wealth and resources, we will alleviate the disparities that now exist in several areas of the country and, at the same time, we will contribute to relieve the social pressures often aroused by poverty. Because of the poverty which exists in the world and in Canada, it is the duty not only of nations and governments but of every man to assume its responsibilities.

To be a man . . .

—Saint-Exupéry said—

. . . is precisely to be responsible; it is to feel ashamed before a hardship that did not seem to be in your control; it is to be proud of a victory that your friends have gained; it is to feel, when laying a stone, that you are contributing to build the WORLD.

Mr. Speaker, on behalf of my constituents I wish to express, once more to the right hon. Prime Minister, my gratitude for this privilege and I am happy to second the Address in reply to the Speech from the Throne.

[*English*]

On motion of Mr. Stanfield the debate was adjourned.

On motion of Mr. MacEachen the House adjourned at 3.20 p.m.

HOUSE OF COMMONS

Thursday, February 28, 1974

The House met at 2 p.m.

[*English*]

ROUTINE PROCEEDINGS

MAIN ESTIMATES, 1974-75

EXPLANATORY STATEMENT BY THE PRESIDENT OF THE TREASURY BOARD

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1975, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the main estimates for 1974-75 are made up of $22,023 million in budgetary expenditures and $1,275 million in loans.

On the budgetary expenditure side, the estimates are up $2.4 billion over forecast expenditures for 1973-74, more than three-quarters of the increase being attributable to changes in the amount for statutory items.

Much of this increase occurs in payments to those particularly vulnerable to current inflationary pressures, whether because they are raising families or are on fixed incomes or are at least partly dependent on welfare. Thus, the most prominent component of the increase is for the family allowances payments which are expected to cost $1,836 million in 1974-75. There are also much higher outlays expected for the Canada Assistance Plan and for veterans pensions and allowances.

The estimates book also records a forecast of $3,432 million for old age security and guaranteed income supplement payments.

At the Western Economic Opportunities Conference the federal government put forward a number of proposals, some of which are being put into effect through expenditures in these estimates. Most prominent among the latter are expenditures of about $43 million for the first year costs of programs of highway improvement and highway and railway development.

[*Translation*]

Faced with the necessity to increase Canada's energy supply, we are anticipating loans for the building of a CANDU reactor as well as a new heavy water plant. Funds will also be made available for the building in Cape Breton of a coal plant worth $8 million, in order to facilitate the marketing of the coal produced by the new Lingan mine. Finally, other funds are earmarked to increase the government's shares in Panarctic Oils Limited.

Three years ago the government issued for the first time a booklet dealing with the estimates and called: How Your Tax Dollar ls Spent. It is designed to better inform the public on how the government uses its revenues. Copies of the 4th edition will soon be distributed to hon. members and will also be available to the public free of charge upon request at any Information Canada Centre. The special theme this year deals with the Public Service which plays an essential role at the service of Canadians.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in view of the fact the minister has made a fairly lengthy statement on a very complicated subject without having made it available to any member of the opposition before delivery, it is absolutely impossible to make any worthwhile statement in reply. I can only say that I regret that the minister has not followed his own previous practice and that of his predecessors in office. If a statement is to be made on the tabling of main estimates, as is being done at present, the minister should extend to us the courtesy of making available a copy of the statement at least on entering the House, if not beforehand. The way those opposite are behaving these days is rather nonsensical, Mr. Speaker.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, obviously the time for detailed comment on these estimates will be after we have had a chance to peruse them and perhaps to understand them.

● (1410)

I am interested in the assertion of the President of the Treasury Board (Mr. Drury) once again today that it is the government's practice these days to give us more information about the spending of the government than used to be the case. I still find that hard to believe. The bigger the Blue Book gets, the less understandable information it seems to contain.

Since we have been presented with this volume and with the minister's statement without any prior warning, the only comment I wish to make is that I do not like it when increased expenditures seem to be blamed in the main, as I thought the President of the Treasury Board did today, on the increase in social security, veterans' pensions and allowances, welfare payments and so on. I insist that these payments are not charges against the treasury or the government. They are an attempt by society to move to some extent in the direction of equalizing the positions of our people.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): This is one of the best things that organized society does—to collect from those who have in order to make it possible for those who have less, or those who have nothing, to enjoy something of the standard of living society as a whole is now

able to produce. We are concerned about the waste that no doubt we will find in these estimates, but we welcome the improvement in social security reflected in the book the minister has tabled.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, like our colleagues in the opposition, we have regretfully heard the minister's statement without having received any advance notice nor a copy of the statement itself so as to be able, in essence, to look at it in order to make the necessary comments.

We shall therefore refrain from making any comment for now, but be assured that when the discussion of the estimates is possible we shall take part in it and that no advance notice will be required from the minister.

* * *

[*English*]

CANADA PENSION PLAN

EXCLUSION OF HOUSEWIVES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, pursuant to Standing Order 43, and in view of the government's objective outlined in the throne speech, "to create a society free from discrimination," I ask leave of the House to introduce a motion to refer to the Standing Committee on Health, Welfare and Social Affairs the present discriminatory exclusion from the Canada Pension Plan of the more than two million housewives not working for an income outside the home, such motion to be seconded by the hon. member for Hillsborough (Mr. Macquarrie).

Mr. Speaker: This motion, proposed under the terms of Standing Order 43, requires the unanimous consent of the House.

[*Translation*]

Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the hon. member's motion cannot be put.

* * *

[*English*]

FISHERIES

WEST COAST SALMON STOCKS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 to seek the consent of the House to move a motion in a case of urgent and pressing necessity, namely, the allegations that Canada is taking a weak stand in the discussions with the United States about the interception of the salmon stocks of each country on the west coast, and the need to explore those allegations and refute them, if necessary. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That the Standing Committee on Fisheries and Forestry be authorized to conduct an inquiry into all aspects of the relationship between Canada and the United States regarding stocks of salmon, with particular reference to the discussions that have been taking place between our two countries recently with respect to an agreement relating to the salmon stocks of each country.

Mr. Speaker: This motion also requires unanimous consent. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Speaker: There is not unanimous consent; therefore, the hon. member's motion cannot be put.

* * *

[*English*]

CONSUMER AFFAIRS

PROPOSED INCREASE IN PRICE OF BREAD—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, there is a matter of urgent and pressing necessity arising from the growing rumours that the consumer price of bread will shortly be raised by four cents. In view of the fact the Food Prices Review Board has recommended that only half that projected raise is justifiable I should like to move under the provisions of Standing Order 43, seconded by the hon. member for Vancouver-Kingsway (Mrs. MacInnis):

That this House instruct the government to take all the steps necessary to ensure that there be no increase in the consumer price of bread beyond, at the maximum, the two cents considered justifiable by the Food Prices Review Board.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

[*Translation*]

RISING COST OF SUGAR—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House for leave to move a motion on a very urgent matter since it concerns the scandalous increase in the price of sugar.

I therefore move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House consider immediately the serious problem of the increase in the price of sugar and that for this purpose, a special committee of the House be instructed to examine the causes of this increase and to report to the House as soon as possible.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, this motion

requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the hon. member's motion cannot be put.

* * *

[*English*]

AGRICULTURE

OUTBREAK OF BRUCELLOSIS AMONG CATTLE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask leave of the House to move a motion of great concern to farmers in my constituency and in other places across Canada. I ask permission to move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That in view of the extreme concern of farmers in Leeds and Grenville counties resulting from the outbreak of brucellosis among cattle in the area, this House requests the government to enunciate a clear policy on the matter of whether or not to vaccinate cattle against this disease in place of the present so-called de-emphasizing program, and also this House requests the government to bring compensation payments for cattle necessarily destroyed because of brucellosis more in line with current market values.

[*Translation*]

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there such unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not, and therefore, the motion cannot be put.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE HONOURABLE WILLIAM ANDREW CECIL BENNETT, FORMER PREMIER OF BRITISH COLUMBIA

Hon. Jack Davis (Minister of the Environment and Minister of Fisheries): Mr. Speaker, I should like to draw the attention of hon. members to the presence in the gallery opposite of the Honourable William Andrew Cecil Bennett, a distinguished Canadian, and long-time premier of British Columbia.

Some hon. Members: Hear, hear!

[*Translation*]

ENERGY

TABLING OF CONVENTION CONCERNING CREATION OF HYDRO-QUEBEC RESEARCH INSTITUTE AND COLUMBIA RIVER TREATY ENGINEERING BOARD ANNUAL REPORT

Mr. Herbert Breau (Gloucester): Mr. Speaker, pursuant to Standing Order 41(2), I would like to table copies in both official languages of an agreement between the government of Canada, the government of Quebec and Quebec Hydro-Electric Commission concerning the cooperation of the government of Canada in the establishment and development of the Hydro-Quebec Research Institute and at the same time, I would also like to table, pursuant to the same Standing Order, a copy of the annual report of the Columbia River Treaty Engineering Board for the period from October 1, 1972 to September 30, 1973.

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

INFLATION—MEASURES TO PROTECT SMALL INVESTORS AGAINST EROSION OF INVESTMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the right hon. the Prime Minister relating to one or two aspects of the government's anti-inflationary program not mentioned in the Speech from the Throne. First, I should like to ask the Prime Minister whether he has any measures in mind to enable the ordinary, small Canadian saver or investor to protect himself or herself against the kind of erosion in the purchasing value of his investment that was suffered last year, 10 per cent, in face of a similar threat this year? Can the House expect the Prime Minister to present any measure which will offer some safeguard to the small Canadian saver?

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe it was indicated in the Speech from the Throne that we are very much in favour of taking specific action in specific cases. The Leader of the Opposition asks me if we have measures in mind. Yes, Mr. Speaker. The cabinet is looking at various approaches. As to when they will be announced, I am afraid the Leader of the Opposition will have to exercise his usual patience.

Mr. Stanfield: No doubt, Mr. Speaker, this will unfold as the universe unfolds.

Some hon. Members: Hear, hear!

Oral Questions

ENERGY

CANADIAN CRUDE OIL—POSSIBILITY OF EXTENSION OF PRICE FREEZE BEYOND APRIL 1, 1974

Hon. Robert L. Stanfield (Leader of the Opposition): May I ask the Prime Minister whether it is now the intention or within the contemplation of the government to extend the freeze on Canadian crude oil beyond April 1, although it was indicated at the energy conference that the freeze would come off on April 1 and the Prime Minister said, I believe, that what he called a reasonable price increase would take place? Is it now contemplated that the freeze will be extended?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the Leader of the Opposition is talking about continuation of the present freeze, the answer is no. There is no contemplation of that being continued past April 1; but, of course, it is in the government's plans to ensure that there will be a freeze in the sense that there will be a lower price in Canada than the world price. In that sense we are going to ask for the co-operation of the provinces, the industry and, hopefully, of the opposition parties in supporting the government so that Canadians will pay a lower price than the world price.

* * *

CONSUMER AFFAIRS

PROPOSED INCREASE IN PRICE OF BREAD—POSITION OF GOVERNMENT

Mr. David Lewis (York South): Mr. Speaker, in the area of the cost of living I want to ask the Minister of Consumer and Corporate Affairs whether he is contemplating any action to make certain that the increase of four cents in the price of a loaf of bread proposed by the Bakery Council will not take place in view of the recommendation of the Food Prices Review Board that the increase ought to be no more than two cents per loaf?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think that the government's position with respect to unjustifiable food price increases has been confirmed in the recent Speech from the Throne. The Food Prices Review Board is, I understand, currently reviewing the situation in order to come up with a final report on the implications of what has been proposed by the industry. We will certainly be prepared to assume our responsibilities once this information is available to us.

Some hon. Members: Oh, oh!

Mr. Lewis: Mr. Speaker, no one can help but be struck by the minister's commitment.

Some hon. Members: Oh, oh!

Mr. Lewis: I would ask the minister exactly how he proposes to assume his responsibility in view of the fact he has refused to produce to Parliament legislation that would give either the board or him authority to roll back an unjustifiable price increase?

[Mr. Stanfield.]

Mr. Gray: Mr. Speaker, we have demonstrated our commitment in the past to deal with these kinds of matters and we will be prepared to do so again.

Mr. Lewis: Mr. Speaker, I do not think there is much use pursuing this particular minister.

Some hon. Members: Hear, hear!

DISCUSSIONS WITH PROVINCES ON PREVENTION OF INCREASE IN PRICE OF MILK

Mr. David Lewis (York South): Mr. Speaker, I want to pose a question to the Minister of Agriculture arising out of reports that there may be an increase in the price of milk. In view of the discussions the minister has had and the agreements he has reached with the agencies of a number of the provinces, may I ask whether there have been any further discussions with regard to the subsidy or any form of action by the government to avoid an increase in the price to the consumer of milk, a product so essential to the health of Canadians, particularly children?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have had consultations with several of the provinces. Several provinces have stated they are desirous of increasing the price of milk because of increased input costs. According to the agreement we signed with them, if they can prove to us they require increased prices because their costs have gone up and the increased cost of input to them varies from 5 to 10 per cent, we immediately open negotiations with them. We have allowed the province of Quebec—I believe it is the only one—a two cent a quart raise in their price, but the federal subsidy of five cents a quart still stays in position.

[*Translation*]

RISING COST OF LIVING—SUBSIDIZATION OF CONSUMERS

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

In view of the staggering rise in the cost of living, specially that of food, does he plan to subsidize consumers in order to make up for the erosion of the purchasing power of Canadians and so give them access to Canadian production?

Right Hon. P. E. Trudeau (Prime Minister): If the hon. member is alluding to the subsidies granted in specific cases, the answer, Mr. Speaker, is obvious since the government has already acted and will continue to act to that effect as long as it is deemed necessary. If, on the other hand, the hon. member means general subsidies to be granted all consumers for all sorts of reasons, then the answer is no.

[*English*]

PROPOSED INCREASE IN PRICE OF BREAD—POSITION OF MINISTER

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Has the minister discussed with the chairman of the Food Prices Review Board the question of the

proposed increase in the price of bread? If so, has he satisfied himself that the four cent increase in the price of a loaf of bread announced by the Bakery Council of Canada cannot be justified? If so, what immediate steps does he propose to take?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have received the interim report which was issued by the board to the public. I will be anxiously awaiting the results of the work it now has under way so that the government as a whole can take decisions in this matter, the program being one that is administered, of course, by the Wheat Board.

Mr. McGrath: Has the minister satisfied himself, and if not, why not, that this four cent increase in the price of bread cannot be justified?

Mr. Gray: Mr. Speaker, I think we should take a serious view of any major increase in the retail price of bread at this time. We would want to assure ourselves that any increase implemented by the industry was fully justified on the basis of increased costs and did not come from an increase in the price of flour which was supposed to have been stabilized by the subsidy program administered by the Wheat Board.

Mr. McGrath: In view of the failure of the government's flour stabilization or subsidization program to have the desired effect and in view of the skyrocketing cost of sugar, which is a further contributing factor, what immediate steps does the government propose to take to prevent further increases in this staple foodstuff?

Mr. Gray: Mr. Speaker, I am glad the hon. member recognizes that this program has helped to prevent increases in the price of bread which would have otherwise taken place. As I said in answer to other questions and as was committed in the Speech from the Throne, we are certainly prepared to carry out our responsibilities where and when necessary.

Mr. Speaker: Order, please. A number of hon. members have supplementaries. Perhaps for the moment the Chair might recognize the right hon. member for Prince Albert and return to supplementaries on this subject later.

* * *

GRAIN

PROVISION OF BOXCARS TO TRANSPORT WHEAT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the minister reporting for the Canadian Wheat Board. Farmers all over western Canada are being pressed to deliver their wheat so that the Wheat Board can carry out its responsibilities under international agreements and the like. However, cars are not available. Figures I received for last week, and I ask whether they are correct, indicate that the number of railway cars is 7,800 behind the target of the Wheat Board for west coast delivery and 4,811 cars below the target for delivery to Thunder Bay.

Mr. Speaker: Order, please. Perhaps the right hon. gentleman might now like to ask the question.

Mr. Diefenbaker: Mr. Speaker, I find that sometimes the government has not looked into these things and I have to give them information.

Some hon. Members: Hear, hear!

● (1430)

Mr. Diefenbaker: I ask what is being done to secure the necessary cars. The farmers are being urged on the one hand to deliver grain but there is no place to deliver it.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, farmers are being asked to deliver wherever there is a possibility of their doing so. There is, of course, significantly more space in the elevator system as a whole in the prairie region at this time this year compared with the same time last year. There are real difficulties facing individual farmers in areas where snowfall has been heavier than normal. This has no doubt led to problems of farm delivery in some cases. We are asking every participating section of the industry, the railways, the elevator companies and the farmers, to do their utmost to ensure the maximum amount of grain movement. Either the failure of the grain to come in or failure to move it forward can become an impediment to Wheat Board sales.

Mr. Diefenbaker: No snow job like that can cover up the government's failure. Let that be clear. Despite all the explanations the minister has endeavoured to place before the House I ask him, what is he doing to ensure a supply of cars? I suggested to him before—he brushed it aside but again I press it—that a boxcar controller be given authority by parliament—

Mr. Speaker: Order, please. Perhaps the minister might be given an opportunity to reply to the right hon. member's supplementary question.

Mr. Diefenbaker: I had not finished my question, Mr. Speaker.

Mr. Speaker: That is precisely what I was afraid of.

Some hon. Members: Hear, hear!

Mr. Speaker: I did not wish to interrupt the right hon. gentleman but I was hoping he would soon reach the point where he would ask a question so that the minister might be given an opportunity to answer and we might be able to proceed.

Mr. Diefenbaker: I am trying to get an answer from the minister: I know he needs protection against questions. I ask him whether he will now give consideration to bringing before the House a measure giving power to a freight car controller to direct the railway companies to make cars available to this important sector of the economy and providing for prosecution and stern penalties in the event of failure to comply?

Mr. Lang: We are indeed prepared to consider every step necessary to ensure that the railways carry out their responsibilities effectively rather than simply making up

excuses. No doubt, very real problems have arisen. On the other hand, I say to the right hon. gentleman that I know he has difficulty in appreciating that we have already moved so much grain this year that we have almost exceeded the amount moved at any time during his administration.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The farmers will not be misled by that eye-wash.

PROVISION OF BOXCARS TO TRANSPORT WHEAT—COMMITMENT BY RAILWAYS TO MEET TARGETS

Mr. A. P. Gleave (Saskatoon-Biggar): In view of the fact that officials of the Wheat Board are concerned that they will not be able to meet the export targets they now have before them, and since many elevator delivery points in western Canada are congested, has the minister held a meeting with officials of the CNR and the CPR and is he able to tell the House that he has received any commitment from the railroads to meet the targets to which they have agreed with respect to Vancouver and Thunder Bay?

Hon. Otto E. Lang (Minister of Justice): We have held such meetings. I am not yet satisfied with the commitments I have received.

* * *

AGRICULTURE

PLANS TO COPE WITH FARMERS' INCREASING INPUT COSTS

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture following the first series of questions asked today. Since the farm input price index for Canadian agriculture has increased over the fourth quarter of 1972 by some 20 per cent for the country as a whole—24 per cent in eastern Canada and 14.9 per cent in western Canada—will the minister tell us what specific plans the government has prepared to cope with the ever-rising input costs which farmers are experiencing?

Hon. E. F. Whelan (Minister of Agriculture): The measures were outlined in the Speech from the Throne yesterday.

Mr. Murta: The minister tells us they were outlined in the Speech from the Throne yesterday. I would ask him to refer specifically to that part of the speech in which those measures were outlined so that the Canadian people might be better informed.

Mr. Whelan: I have been preparing the ground for some 15 months. We planted the seed yesterday and I hope that before the crop comes through the ground—

An hon. Member: What about fertilizer?

Mr. Whelan: —I shall be explaining this in greater detail when I speak in the House later.

[Mr. Lang.]

TRADE

STATUS OF CUBAN ORDER FOR LOCOMOTIVES PLACED WITH MONTREAL FIRM—INQUIRY AS TO ORDER FOR AUTOMOBILES

Mr. Ed Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Is the minister aware that the government of Cuba has placed an order for 25 locomotives with a Montreal firm? If so, can he inform the House whether the sale is to be proceeded with and, if not, why not?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I am aware that the Cuban government is interested in placing such an order. I am also aware that the company's American directors are encountering some difficulties. Representations have been made to the United States government to which we have not yet received a formal reply.

Mr. Broadbent: My supplementary arises from a related matter, namely, that the government of Cuba has changed its policy concerning the importation of North American-produced automobiles of the type once made only in Canada and the United States but now also manufactured in South America, and has recently placed orders in Argentina for automobiles produced by General Motors, Ford and Chrysler. Can the minister tell the House whether such an original order was placed in Canada and, if so, were his officials involved in the negotiations surrounding such an order? If the answer is yes, can the hon. gentleman tell the House what position the government took?

Mr. Gillespie: I have already stated we are aware of the interest of the Cuban government in making a purchase of Canadian-manufactured locomotives.

Mr. Broadbent: Automobiles.

Mr. Gillespie: I am unaware of any interest on the part of the Cuban government in placing an order for Canadian-made automobiles.

* * *

UNEMPLOYMENT INSURANCE

TYPE OF REVIEW OF OPERATIONS OF COMMISSION

Mr. Frank Ellis (Hastings): Mr. Speaker, my question is for the Minister of Manpower and Immigration responsible for the Unemployment Insurance Commission. I would not want him to be unhappy because I did not put a question to him on the first day.

An hon. Member: Big deal!

Mr. Ellis: In light of the minister's statement in Quebec that there would be an inquiry into the Unemployment Insurance Commission and the reference in the Speech from the Throne to a comprehensive review of the Unemployment Insurance Commission, would the minister now indicate the extent and type of the inquiry and the timing?

Hon. Robert K. Andras (Minister of Manpower and Immigration): As the throne speech indicated, amend-

ments to the Unemployment Insurance Act will be introduced during this session as part of an ongoing, comprehensive inquiry based on our experience in the past few years. It is not an inquiry in one sense, but rather a deep analysis; an evaluation of a very significant program and it is under way at the present time.

Mr. Ellis: I gather from what the minister says that he does not intend to hold a public inquiry. I want to bring one point to his attention—

Mr. Speaker: Order, please. Perhaps the hon. member should ask a question.

Mr. Ellis: Would the minister not agree that the cost of administration alone would justify an inquiry?

Mr. Speaker: Order, please. I would not think it is in order to ask a question in those terms; it is in the nature of an argument.

* * *

● (1440)

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER DEVELOPMENT AGREEMENT REACHED WITH QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to put a question to the Minister of Regional Economic Expansion.

Can he tell the House whether or not consultations with the Quebec government with regard to a new regional development program have lead to an agreement? If so, would he soon advise the House of its nature?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Yes, Mr. Speaker, negotiations with the government of Quebec have been virtually completed. I have indicated that I am prepared to proceed at any time now with the signing of the general development agreement and it is now a matter for the province of Quebec to indicate a particular date on which it wished to do that.

* * *

UNEMPLOYMENT INSURANCE

POSSIBILITY OF ACT BEING DISINCENTIVE TO WORK—SAVING TO TAXPAYERS UNDER LEGISLATION TO BE INTRODUCED

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is supplementary to a question asked by my colleague, the hon. member for Hastings. As a result of the comprehensive review related to the Unemployment Insurance Commission, can the minister advise whether there have been any specific studies in relation to this review to determine the relationship between high unemployment, high UIC benefits and the high job vacancy rate? In other words, has the minister been able to determine whether in fact the act as presently constituted is a disincentive to work and, if so, what is the answer?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I can quite categorically say that if this is an attempt to focus entirely upon unemployment insurance as the only potential factor in respect of work-ethic erosion, I think it is most unfair and too narrow. One surely would have to examine a great many other factors such as job barriers, employers' attitudes, changing attitudes toward work, education, wages and working conditions and a whole series of other things and recognize that this problem is not peculiar to Canada but exists in nearly all countries of the western world.

Mr. Speaker: Order, please. I would remind hon. members that we will be running short of time soon and perhaps we should limit the number of supplementaries at this stage. The hon. member will be recognized for a last supplementary question.

Mr. Alexander: Mr. Speaker, the minister does not have to adopt an argumentative attitude. I asked a simple question and I have not received an answer yet. I should like to ask him a supplementary question. When he brought in Bill C-125 last session he indicated it would save the Canadian taxpayers $100 million. I am sure he must have some figures in respect of the pending legislation. I should now like to ask if he can advise the House how much the Canadian taxpayers will be saved if and when this bill is introduced as contemplated in the throne speech? Has he any figure in that regard?

Mr. Andras: Mr. Speaker, when the bill is introduced in the House I will try to make available all possible information to hon. members.

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VETERANS AFFAIRS

DISPOSITION OF GEORGE DERBY HOSPITAL LANDS BURNABY—NEGOTIATIONS WITH MUNICIPALITY

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Veterans Affairs. In view of the fact the province of British Columbia has given permission to the municipality of Burnaby to negotiate a deal for the George Derby lands in Burnaby, will the minister advise whether he will negotiate with the municipality and turn this land over at a price comparable with what the federal government paid for it?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, negotiations are presently going on between our department and the province of British Columbia in respect of a possible transfer. I do not have the authority to transfer the George Derby lands to the municipality. However, I am meeting with Burnaby officials tomorrow and I am prepared to discuss the matter.

Mr. Reynolds: Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. Does he think a deal could be made in respect of the George Derby lands

similar to the deal made in respect of the Jericho lands in British Columbia?

* * *

PENITENTIARIES

COLLINS BAY—FAILURE OF DOUGLAS BOOTH TO RETURN FOLLOWING TEMPORARY ABSENCE PASS—PAROLE SYSTEM

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Solicitor General which arises from the recent escape of a prisoner who was convicted of murder and given a sentence of life imprisonment in accordance with the law. I think the Solicitor General will know the answer as I spoke to him about the matter yesterday. Has that person been recaptured or is he still at large at the present time?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, if the hon. member is referring to Mr. Douglas Joseph Booth who was in the Collins Bay minimum security institution, I can say that he is still at large.

Some hon. Members: Oh, oh!

Mr. Allmand: He was out on a temporary absence pass and failed to return on February 23, 1974.

An hon. Member: He is probably in the gallery.

Some hon. Members: Oh, oh!

Mr. Allmand: This man had been given 16 previous temporary absence passes which had all been observed with the exception of one when he returned late, but voluntarily. He has been in minimum security since 1971, and he has been in prison now for eight years.

Mr. Woolliams: In light of the fact that this is of concern to all Canadians living in urban centres, is the minister now prepared to adopt a system whereby the Parole Board would have jurisdiction in respect of the release of people who have been charged and convicted of murder and given life imprisonment under the new amendments to the code in order to avoid this type of mistake and mistakes like the Head case?

Mr. Allmand: Mr. Speaker, we have already taken the decision to have all long-term absences, that is, more than three days, handled by the Parole Board, and there are no more back-to-back passes. We have already amended the law so that no person who has been convicted of murder can be considered for day or temporary parole until he has served seven years. This man had been in prison for eight years and had a good record in prison.

* * *

TRADE

SUGGESTED CURTAILMENT OF EXPORT OF CERTAIN BUILDING MATERIALS TO IMPROVE DOMESTIC SUPPLY

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of serious shortages of certain essential building materials, is the minister considering measures to curtail the export of these materials in order to improve the supply position on the domestic market?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am advised that there are shortages among some important building materials. Some of these have been caused by strikes or transportation problems which are temporary—

An hon. Member: And by the weather.

Mr. Gillespie: —and some as a result of a lack of plant capacity. I am also informed that a number of important plant expansions are under way or projected at the present time which will increase supplies. In view of the fact that the lumber market has been easing recently I do not propose to take any action at the present time.

* * *

[Translation]

AIRPORTS

MIRABEL—TYPE OF PUBLIC GROUND TRANSPORTATION TO BE PROVIDED

Mr. Roch La Salle (Joliette): Mr. Speaker, in the absence of the Minister of Transport, I shall ask my question to the Minister of Public Works.

Would the hon. minister inform this House—

Mr. Speaker: Gentlemen, order please. I recognize the hon. member for Joliette.

Mr. La Salle: I thank you, Mr. Speaker; you are understanding as usual.

Would the hon. Minister of Public Works inform this House if, at the opening of Mirabel airport, the bus service will be the only public ground transportation system provided to international passengers between Montreal, Dorval and Mirabel airport?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, if I understood correctly, this question should be asked to my colleague, the Minister of Transport who has jurisdiction over Mirabel airport.

Mr. La Salle: I have a supplementary question, Mr. Speaker.

I had precisely pointed out, Mr. Speaker, that in the absence of the Minister of Transport, I thought that the Minister of Public Works was familiar with the matter. So I shall ask my question to the Parliamentary Secretary to the hon. Minister of Transport, my good friend from St. Boniface.

Is the Parliamentary Secretary able to answer the question I asked before to the hon. Minister of Public Works?

[English]

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, while the minister is not in the House, I can say that he is in his office at the present time.

Some hon. Members: Shame!

Mr. Guay (St. Boniface): He has asked me to answer on his behalf. In respect of the particular question asked by the hon. member, I should like to tell him that I will bring the matter to the attention of the minister.

Some hon. Members: Oh, oh!

* * *

● (1450)

ENERGY

INQUIRY AS TO FORMULA TO COMPENSATE COMPANIES IN LIGHT OF PRICES PAID FOR IMPORTED OIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Has his department prepared a formula for compensating the oil companies for the prices they are paying for imported oil? Can he give the House any information regarding the formula? What is the anticipated cost per month and what is the price per barrel upon which the formula is based?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there have been discussions in this regard but an appropriate formula has not yet been finalized. It would be the intention of the government to present a measure to the House for the specific purpose of appropriating the funds necessary to provide a cushion to eastern Canadian consumers against the increased prices.

CONSULTATIONS WITH PROVINCES ON FORMULA TO BE USED WHEN CRUDE OIL PRICE FREEZE EXPIRES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the Prime Minister's statement earlier today that the present price freeze will end at the end of March and that a new formula will take its place, may I ask the minister what consultations are going on at present with the provincial governments, both at the official and ministerial levels, and whether the minister has any plans to meet the ministers of the various provincial governments involved?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): There have already been consultations at the official level and the Prime Minister will be meeting a number of the premiers from the producing provinces in the very near future specifically to discuss this question.

* * *

GRAIN

REQUEST FOR IMMEDIATE ANNOUNCEMENT OF INTERIM PAYMENT

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the minister responsible for the Wheat Board. Having made the announcement that the initial price for grain will be raised, will he also announce the interim payment for all grain that has been delivered until now? Will he make the announcement immediately rather than wait until the fall?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, when we indicated that initial prices were going to be raised for the balance of the crop year and, except in the case of barley, restored to approximately the same level on August 1, at the same time we announced that adjustment payments worth about $400 million would be made as soon as possible and that is some time towards the end of March or the beginning of April.

* * *

SPORTS

MEASURES TO BLOCK WORLD FOOTBALL LEAGUE ENTRY IN TORONTO

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the minister's recent statement regarding the government's intention to block the World Football League's entry in Toronto, can the minister advise the House as to what measures he proposes to take to initiate this move and if in fact legislation will be introduced regarding this matter?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I can assure the hon. member that all necessary measures will be taken to that effect.

Some hon. Members: Hear, hear!

Mr. Jelinek: I did not expect anything better from the minister at this time, but I have a supplementary question. Keeping in mind every Canadian's opinion on "Canadianizing" football in this country, can the minister advise the House if he is prepared to take steps to make a greater Canadian content in the Canadian Football League compulsory and, if so, when and, if not, why not?

Mr. Lalonde: There again, the hon. member will have ample opportunity to discuss this issue if and when steps are required to be taken.

Mr. Bell: How about baseball?

Mr. Speaker: Order, please. The hon. member for St. Paul's.

POSSIBLE PROHIBITION OF NATIONAL FOOTBALL LEAGUE FRANCHISE IN MONTREAL

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the same minister. Would he indicate, if he is going to introduce legislation or take measures, whether he would also include a prohibition against any National Football League franchise going to the Montreal Olympic stadium after 1976, and would he also indicate whether he has had assurances from Mayor Drapeau along this line?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would advise the hon. member to read my speech in that respect. He might learn a few things.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Oral Questions

CONSULTATION WITH COMMUNITY-OWNED CANADIAN FOOTBALL TEAMS TO PREVENT ENTRY OF WORLD FOOTBALL LEAGUE

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a further supplementary question for the Minister of National Health and Welfare. In view of representations that I believe have been made to the minister from community-owned football teams in Canada and in light of the statement he made subsequent to that, can the minister advise if he is presently consulting further with community-owned professional football teams in Canada to obtain their views as to what methods the government can and should take to prevent the World Football League from operating in Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, obviously the government will have to accept its own responsibilities in that respect and make its own decisions in what we consider to be the national interest. I am in consultation with the president of the Canadian Football League who happens to be a gentleman from Edmonton, Alberta, and represents a team that is community-owned.

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EXTERNAL AFFAIRS

LEAKAGE OF CLASSIFIED INFORMATION—ACTION TAKEN AGAINST PERSON RESPONSIBLE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, as long ago as November 16 I inquired of the Secretary of State for External Affairs what action he had taken following the disclosure on November 5 in the House that classified information had been made available improperly to a member of the House. I should like to ask the minister now whether there has been a dismissal from the Department of External Affairs or CIDA following this unusual performance?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there has been a resignation.

Some hon. Members: Oh, oh!

Mr. Munro (Esquimalt-Saanich): My supplementary question is to ask the minister whether he will provide reasons to the House why a resignation was accepted rather than charges being pressed because a member of the public service failed to honour his word under his Oath of Secrecy?

Mr. Sharp: I think that some of the reasons will be fairly clear. We did not consider that it was necessary to dismiss this official or to take action against him, since he was prepared to resign. So that there would not be an unnecessary blot upon his character in looking for another job. We accepted this way out which I think is the "liberal" way.

Mr. Speaker: There are three or four minutes left before the end of the question period. If the hon. member has a brief supplementary question he might ask it, following which I will see the hon. member for Rimouski.

[Mr. Lalonde.]

Mr. Munro (Esquimalt-Saanich): My brief supplementary is to ask the minister whether he is satisfied that this form of dealing with the matter will preserve the integrity and usefulness of the Canadian foreign service?

Mr. Sharp: The Canadian foreign service was not involved in this particular case, and I am satisfied that we took the right action under the existing circumstances. I can imagine other circumstances under which a different kind of action would have been appropriate.

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[*Translation*]

CONSUMER AFFAIRS

MEASURES TO CONTROL FOOD PRODUCT PROFITEERS

Mr. Eudore Allard (Rimouski): I have a question for the Minister of Consumer and Corporate Affairs.

In view of the impact of sugar prices on many food commodities, would the hon. minister inform the House of the measures he intends to take to put profiteers to reason?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I had some difficulty in hearing the hon. member's question and consequently I will take it as notice.

* * *

[*English*]

FISHERIES

SUGGESTED AMENDMENT OF REGULATIONS RESPECTING QUOTAS AND SEIZURE OF CATCHES IN LIGHT OF HARDSHIPS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries. In view of the hardships imposed on Canadian fishermen because of the implementation of an order in council on January 15, 1974, is it the minister's intention to amend the regulations as they apply to Canadian fishing quotas and especially as these regulations apply to the seizure of fishermen's catches?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the answer essentially is no. I might also point out to the hon. member that the quantity of fish taken was roughly the same last year as in 1972 and incomes were up about one-third.

Mr. Speaker: The hon. member will be recognized for a supplementary, followed by the hon. member for Medicine Hat.

Mr. Crouse: Fishermen are required by law to handle the catch when it is landed on deck. So I ask the minister, what steps is he planning to take to protect the rights of all individual fishermen working on the deck of a dragger since these fishermen have no authority whatsoever to determine the area in which the captain decides to carry out fishing operations?

Mr. Davis: This question is one of detail. I will inquire into the matter and get in touch with the hon. member.

* * *

● (1500)

NATIONAL DEFENCE

REQUEST FOR REVIEW OF DECISION TO CLOSE RESEARCH CENTRE AT SUFFIELD, ALBERTA

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question is directed to the Minister of National Defence and refers to last week's announcement by the minister of the closing of the defence research activities at Suffield, Alberta. In view of the hardships imposed on some 184 families in that community who are affected by this decision, and in view of the tremendous loss of business activity in the Medicine Hat area due to this proposed action, will the minister now consider an immediate review of the local circumstances involved in this decision with a view to possible indefinite postponement of the announced closure?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I thank the hon. member for giving me notice that he intended to ask this question. I believe he is aware that the research establishment at Suffield has been phasing out for several years. My announcement last week was simply to confirm that the phase-out would continue for another three years and that the research activities will be terminated in 1977. However, Mr. Speaker, I can assure the hon. member that the personnel involved will have their positions protected as far as possible and we will make every effort to see that the people he is concerned about are successfully relocated.

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AGRICULTURE

IMPORTATION OF TURKEYS FROM UNITED STATES—REQUEST FOR TARIFF PROTECTION FOR WESTERN PRODUCERS OR IMPORT CONTROLS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the fact that American turkeys are now coming into Ontario, thus driving down the price of western Canadian turkeys by 3½ cents a pound, is the minister prepared to give the western producers some tariff protection, or is he planning to impose import controls on American turkeys?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have received a brief from the new Canadian turkey marketing board and at the present time we are considering the representations they have made to us.

IMPORTATION OF DES-FED CATTLE FROM UNITED STATES—STEPS TO PROTECT CANADIANS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I wish to direct a supplementary question to the Minister of Agriculture. It concerns the thousands of American cattle that are being imported into Canada weekly. As these cattle can be fed DES, a food additive which is banned in Canada, what steps has his department taken to protect the Canadian people?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in the United States the decision to ban DES has been thrown out of court. No cattle fed DES will be coming into Canada for at least six weeks, or possibly two months, because producers in that country will just be restarting their program now. They have plans to add the DES supplement to their cattle feed, but they are not going to do that and ship the cattle to us the next day. We are watching the situation, and we will meet with the Minister of National Health and Welfare later today.

Mr. Speaker: Order, please. We have reached or gone beyond the end of the question period but perhaps the Chair would be allowed briefly to recognize the hon. member for Shefford and the hon. member for Edmonton West and then call orders of the day.

* * *

[*Translation*]

FINANCE

SUGGEST REMOVAL OF SIX-MONTH LIMIT ON LOANS TO PROVINCES BY BANK OF CANADA

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Minister of Finance.

In view of the fact that the Speech from the Throne recognizes and decides in favour of the formerly brilliant premier of British Columbia as regards provincial participation in bank ownership, does the minister intend to use this same opportunity to admit the necessity of eliminating the six-month limit on loans currently granted to the provinces by the Bank of Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, perhaps I might elaborate on this question when introducing shortly legislation enabling the provinces to invest in chartered banks in Canada. As stated by the hon. member, it is a coincidence that the author of this proposal is today in the galleries.

[*English*]

REQUEST FOR STATEMENT ON ATTEMPTED REFORM OF INTERNATIONAL MONETARY FUND AND EFFECT OF GOLD MARKET ON CANADIAN DOLLAR

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Minister of Finance. Would the minister tell the House if he is going to make a statement on motions in the very near future, or possibly in the forthcoming debate, giving in detail the position of attempts to reform the International Monetary Fund, the results of the abortive conference in Rome, the related question of the effect on Canadian currency of the wild gold market, as well as all related matters?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will be speaking in the debate on the address in

reply to the Speech from the Throne, but whether I should explore all these matters through a more detailed statement on motions is perhaps something that I will have to judge later.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Wednesday, February 27, consideration of the motion of Mr. Stollery for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, first of all I would like to associate myself with the tributes paid by the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier) to His Excellency the Governor General and Her Excellency, and to extend to the Governor General and his wife the best wishes of the members of my party.

I would also like to extend our greetings to the Chief Justice of the Supreme Court of this country, because to whatever extent the good fortune of the country is measured by the calibre of the people who devote their working years to the public service, then to the fullest of that extent Canada is indeed a most fortunate country.

Some hon. Members: Hear, hear!

Mr. Stanfield: I hope, Mr. Speaker, that the members of the treasury benches will not take that remark too personally.

Mr. Turner (Ottawa-Carleton): That's a very nice compliment.

Mr. Sharp: Just continue in the same vein.

[*Translation*]

Mr. Stanfield: At the beginning of this new session, I would like to salute you, Mr. Speaker, and assure you of our sincere co-operation in carrying on satisfactory proceedings in the House. You have before you an official opposition more vigorous than ever—especially since our Quebec membership has increased by 50 per cent since Tuesday—and especially determined to play fully its parliamentary role not only as a critic of the government but also as a potential government. And since the past is a guarantee for the future, we rely greatly on your fairness and usual impartiality to enable us to perform our duty in all its rigour.

Before coming to the heart of the matter, allow me, Mr. Speaker, to congratulate the mover and seconder, the hon. members for Spadina and Sherbrooke (Messrs. Stollery and Pelletier). They have brilliantly discharged a difficult task even to the extent that their interventions were almost more significant than the main paper itself.

[Mr. Turner (Ottawa-Carleton).]

[*English*]

Sir, we meet at this time under the threat of a very severe dislocation of the world's economy, a threat to economic stability and economic progress arising from restrictions placed on the export of oil by some oil producing countries and from enormous balance of payments problems created by very substantial increases in the price of crude oil. These balance of payments problems are faced by most oil consuming countries. This situation poses great problems not only for the world but for our own country. Unless ways can be developed, through collective action, to enable countries to continue policies of reasonable growth, country after country may be forced to retrench, to slow down in order to avoid collapse leading quite possibly to difficulties for trading partners and therefore a reaction in our own economic conditions in Canada and, at worst, leading to a general, worldwide economic depression.

● (1510)

This is a severe problem for developed countries, but underdeveloped countries which must import their energy are threatened with catastrophe. This matter is mentioned in the Speech from the Throne. I was happy to see it there, but I sensed nothing in the throne speech indicating the depth of concern that I believe this impending or possible catastrophe should evoke. Nor did I see any indication of any proposals to meet the horrendous problems for the relatively poor countries which must import their energy or, indeed, for developed countries which are faced with substantial threats of dislocation.

I suggest that this problem facing developed countries which are large importers of energy, and underdeveloped countries which must rely on external sources of energy, presents the greatest challenge to western leadership that the western world has faced since the end of World War II.

Some hon. Members: Hear, hear!

Mr. Stanfield: I am not happy to say that it is difficult to feel confident that such leadership exists today. I do not expect Canada to supply all the answers or to take all the initiatives, but we are in a rather unique position to show leadership. Because individuals and companies have found petroleum in Canada in sufficient quantities to make us, for the time being at least, relatively independent in the sense that we export about as much as we import, we are in a position of relative independence and therefore are in a position to be somewhat objective and to offer leadership in that sense.

I am not sure that we are doing very much more than being smug. I hope to hear in this House very shortly definite statements by the Secretary of State for External Affairs (Mr. Sharp) and by the Minister of Finance (Mr. Turner) as to precisely what Canada is proposing by way of collective action to assure stability and, indeed, continued progress in trade among developed countries, and precisely what we are proposing to head off these tremendous problems faced by underdeveloped countries which must import oil at vastly increased prices. I would have more confidence in Canada's contribution toward reducing these economic problems if I saw more evidence that the government had a deeper understanding of our domes-

tic problems and, above all, a real determination to face the problems that exist within our own country.

Some hon. Members: Hear, hear!

Mr. Stanfield: The essence of what needs to be said by me, on behalf of the official opposition, as the government is about to be faced with its first test of confidence in this new session can be boiled down to very few words; in fact, one word pretty well does it, and that word is "failure".

Some hon. Members: Hear, hear!

Mr. Stanfield: I refer to failure to attack the root causes of domestic inflation, failure to deal adequately with the effects of that inflation, failure to subdue and control its own aggrandizement, failure to open itself and particular programs to the scrutiny of impartial inquiry, and failure to maintain order and justice in our economy for the ordinary Canadian.

Some hon. Members: Hear, hear!

Mr. Stanfield: Worst of all, on so many counts, is the failure to even try. This is the real failure of leadership, the failure to dare to perform at the level demanded by the challenges and opportunities before this country today. One even gets the impression that the government has failed to comprehend what is going on in this country. The government is living in some world of its own without contact with anybody else in this country except perhaps its own backbenchers. The question that arises is not simply where is there an adequate response to the problems facing Canadians today, but where is there some indication that this government is sensitive to the human indignities and injustices created by these problems?

Some hon. Members: Hear, hear!

Mr. Stanfield: Why will not this government commit itself to correcting as many of these situations as possible, as quickly as possible? The word from the government side is that they will step in as they have in the past and use specific measures. Surely that is just another way of saying that they will twitch if they are being poked. The government promises to step in to cushion consumers against sudden and disruptive price increases in essential commodities, and to prevent groups from taking undue advantage of the current situation.

Mr. Speaker, how can we take that kind of situation seriously, in view of what we see going on in the country? What assurance can the average Canadian worker, the average wage earner, take from a statement like that? We have no idea what this government defines as essential commodities, let alone what it believes would represent a disruptive price increase. How can we expect the worker in Canada to have any confidence in this kind of statement when he knows very well that during 1973 the increase in the cost of living rose faster than his earnings, and he fell behind.

The government stresses some proposals regarding food production incentives. They are needed, but this is a pretty belated conversion on the part of an administration which just a few short years ago was discouraging production and has never devoted proper attention to increasing storage capacity. Are they really concerned yet about doing our part to help feed the world? Are they really concerned this time around because there is an almost biblical justice in the price we are now paying for their short-sightedness. The Minister of Justice (Mr. Lang) knows what I mean by this. He knows how emphatically we told him that LIFT as a thing unto itself was wrong economically, wrong socially and wrong morally.

Some hon. Members: Hear, hear!

Mr. Stanfield: As helpful as any incentives to food production and improved storage and related facilities may be, these are surely long-term operations in terms of having a stabilizing effect on prices. As Lord Keynes said quite a number of years ago, "In the long run we will all be dead". I ask the government, Mr. Speaker, what it intends to do for the ordinary Canadian in our economy. In the absence of a comprehensive program, the government appears to be ready for more selective subventions and more selective interventions. These seem to be the government's chosen alternatives. Yet nobody on the treasury benches seems to be able to tell just how far we will go down that road and just how many thumbs will be used to plug how many holes in how many dikes.

● (1520)

We are told that we shall see a further unfolding of the universe. That was apparent in the House this afternoon during the question period. Perhaps we shall see that when the budget is presented. The Minister of Finance has been talking recently about a budget being brought down perhaps in April, perhaps in May or perhaps some time in the long run. In the present state of policy or, rather, lack of policy in this country, this is not good enough. It is clear that we need an earlier budget, almost an immediate budget, so that we can see what specifics the government has in mind to provide some further relief for the Canadian people.

[*Translation*]

A good many initiatives could be taken to protect in a more humanitarian fashion those who cannot protect themselves. I consider deplorable that none is included in the list of government measures, and I am very much afraid that the victims of this state of things would not judge with kindness a parliament which is merely letting the government mark time and insinuate that it might take action in the future.

I intend to keep today to some very important items, as far as I am concerned. The members from my party will deal with some other aspects in the course of the debate.

The group of citizens we are most concerned about is that of retired Canadians. To what extent does the upgrading of Canadian pensions cope with the realities of life for retired people? When it was decided to upgrade the old age pensions, we indicated that the Guaranteed Income Supplement should also be escalated in line with the requirements of the most deprived retired people. We know that all citizens must spend 90 per cent of their income on food, clothing and lodging, that is to say, on the necessaries of life. It is a fact that the prices of these necessaries increase more rapidly than those of other goods and services. Therefore, would it not be logical and more equitable to

make the escalation of the Guaranteed Income Supplement more in line with the unvarnished reality.

[*English*]

Why should the federal treasury continue to extract the federal sales tax on clothing purchased by our citizens on fixed incomes? The government claimed in the last budget that the removal of sales tax on children's clothing had some beneficial effect in holding down the prices of these articles. Why can we not remove the federal sales tax on all clothing?

Some hon. Members: Hear, hear!

Mr. Stanfield: Also, consider what inflationary housing costs are doing to our citizens, especially the aged, and what is happening to their savings, if they have any. As to housing, I recall that just one year ago the Minister of Finance liked to talk about housing in terms of increasing supply. Now, one year after the budget which he presented at that time, housing starts are declining and the vacancy rate for apartments has dropped to a level where an unscrupulous operator can pretty well charge whatever the traffic will bear. Let there be no misunderstanding as to why my joy is restrained when this government talks about fixing everything by increasing supply in the long run.

In the area of housing, even scored against its own expressed aim of increasing supply, the proven result of government policy is one of dismal failure. In the wake of this policy, social priorities are becoming more and more distorted as we have seen housing becoming more and more an investment shelter for those who can swing the financing. Then to cap this disgrace, the government has continued in the past and continues today to profiteer in the operation by way of a flat rate sales tax which sees government revenues go up as the cost of building materials in this country goes ever higher. Obviously, as part of any effective anti-inflation program this tax on building materials should be reduced, preferably eliminated altogether.

Some hon. Members: Hear, hear!

Mr. Stanfield: I say to my hon. friends opposite as earnestly as I can that we in this country cannot continue to permit this continuation of spiralling housing costs. We cannot permit housing costs to rise at the rate at which they have been rising. I do not accept the idea that it is beyond our power in Canada to bring some degree of order into the price of housing in this country. The cost of shelter has reached absurd heights. The rate of price escalation is absurd and must be stopped.

I spoke about our older citizens and what inflation is doing to their savings. This erosion, this confiscation, applies not only to older Canadians. The time for action is now, not some months hence, not when the universe unfolds, not in the long run. We must do something now to protect the savings of diligent people who have done without today in order to put away something for tomorrow so that they may protect their families and prepare for their retirement. How can hon. members opposite sit there so quietly when ordinary Canadians who may have set aside a few dollars lost ten per cent of the value of their savings last year and may lose a further ten per cent this year? Their savings may lose 20 per cent of their former purchasing power in the course of two years. Why do members opposite sit so quietly and allow this to go on?

I believe that the proper place in which to commence bringing some relief is in relation to Canada savings bonds. I suggest that those bonds should be indexed. There are many Canadians who cannot afford the luxury and the time it will take for the Minister of Finance perhaps to take another trip to Truro, see how this can be done, say how it cannot be done, why it cannot be done and then come back and do it. I read a remark attributed to the Prime Minister (Mr. Trudeau) who said that he did not want to subsidize those who hold bonds at the expense of the ordinary, little fellow. I have news for the Prime Minister. Most holders of Canada savings bonds are little fellows. They are not looking for a subsidy; they are looking for simple justice.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, there are things that can be done to ease the impact of inflation upon those Canadians who have not the muscle which comes from being part of a large organization or who do not have the independent financial backing which will enable them to just comfortably ride things out. There are things that can be done, and these are some of the things that are on my priority list. I do not know, but it may be that the kinds of omissions I have mentioned are among the unforgivable omissions which the hon. member for York South (Mr. Lewis) noted with regard to the government's announced program. As time goes on this afternoon, I know we will get a fuller explanation of what is an omission and when, if ever, it may become truly unforgivable.

• (1530)

Some hon. Members: Hear, hear!

Mr. Stanfield: I hope the Prime Minister will give us further information today as far as his anti-inflationary policy is concerned. We have had some reassurances about where he does not stand. He has told us a bit about his view for the long run, but that is about all. I say that the Prime Minister does a great disservice in any fight against inflation when he states we are probably heading for about the same terrible rate of increase in prices this year as last year and says there is really very little his government can do about it.

Some hon. Members: Shame.

Mr. Stanfield: In my judgment, that kind of statement can have only one effect. That effect will be to further stimulate the development of a vigilante attitude in Canada where everyone does the best he can to protect himself because his government is not trying to protect him. This, of course, will further feed the fires of inflation.

I thought the Minister of Finance made a good point when he said we should not go around saying things that take on a life of their own and lead to psyching ourselves into a recession. I make this same point to the Prime Minister now he has taken the line that we are foredoomed to a higher cost of living and the government is helpless to protect the country: I say the line taken by the

Prime Minister can only psyche us into further harmful inflationary expectations.

Some hon. Members: Hear, hear!

Mr. Stanfield: I think it would be difficult to exaggerate the importance of the pyschological side of inflation, the expectation aspect. This, of course, is why my colleagues and I continue to propose and urge, now more than ever, the adoption of a temporary program of across the board control of prices and incomes to give Canadians a breathing space in which we can all dedicate ourselves to squeezing a great deal of these inflationary expectations out of our economy. Surely we can do this for ourselves in a way which takes account of our trading interrelationship with the world but does not see us slavishly hand-wringing and saying, "It's the world, you know. There is nothing we can do about it." There is no easy, simplistic solution to inflation.

Some hon. Members: Hear, hear!

Mr. Stanfield: I have persistently and consistently stated that we do not propose controls as a cure-all but as one measure, a necessary measure at this time, among others. Surely we have sufficient will and ability as Canadians to do something about our own domestic inflation. I believe we can, and I know that we would if we had at the centre of our national affairs an administration with enough imagination and enough intestinal fortitude to risk its own comfortable position in the course of putting forth an honest effort.

The Prime Minister blames the official opposition for the failure of the government to act in the last session. His first version in this blame game was that the Progressive Conservative Party somehow stonewalled Bill C-125, resulting in its not being passed. Yesterday he suggested we were divided on the bill and this is why it did not move forward. I am confident that if the Prime Minister thought we were divided on the bill, he would not have brought it forward in the first place.

Some hon. Members: Hear, hear!

Mr. Stanfield: The bill was presented for first reading and soon thereafter, for perfectly sincere reasons, my friends in the New Democratic Party indicated they would not support it and would vote against it. Shortly after that the bill was dropped. There were no conversations with me or my House leader to determine what our attitude toward the bill might be. The government simply shelved the bill, and later in the session the minister emphasized that there was never any need for the bill anyway. As to the bill itself, I agree with the minister because it was largely a cosmetic operation. We want to see a full-scale, independent inquiry into the unemployment insurance program.

Some hon. Members: Hear, hear!

Mr. Stanfield: I am not talking about a witch-hunt and I am certainly not talking about some kind of internal review. I want to see an inquiry which really gets to the roots of the program and comes up with real answers to a number of basic questions relating to the administration. Are the fears expressed about abuses justified? Are the claims made by many that they wait long periods for benefits justified? Is there adequate co-ordination between the unemployment insurance administration and Manpower? Are there disincentives to work built into today's unemployment insurance program? In asking that question, I would disagree with what the Minister of Manpower and Immigration (Mr. Andras) said here today. If there are, they are not the only kind. That is not the point.

Are there disincentives built into this program? If so, what are they and what should be done about it? These are surely legitimate, vital questions to be asked about a new program which in its first couple of years of operation has been costing an amount equivalent to an annual levy of $100 per head for every man, woman and child in the country instead of the $20 which was forecast by the government at the time the measure was presented to the House.

I spoke of cosmetics a minute ago. Cosmetics always suggests theatrics to me. We have seen some dazzling displays of theatrics by the government in its pursuit of the politics of energy. The amazing orchestra involved in this performance was placed very prominently on the stage, the members not feeling comfortable down in the pit. The Minister of Energy, Mines and Resources (Mr. Macdonald) moved from the fiddle, to the drum, to the trumpet in arranging and rearranging his own orchestration. While the minister was moving about in this virtuoso fashion, the Prime Minister kept changing the music on the stands.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Minister of Finance made an appearance once in a while, usually on small percussion instruments, notably the triangle. The fellow who really brightened up things was the Minister of Supply and Services (Mr. Goyer). This re-emergence into the public spotlight was highlighted by the minister's expressed intention to get the oil out of the Alberta tar sands at an even faster rate than many of his former charges used to get out of jail.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister sang out the praises of his own version of a CANDU, the Hermann Kahn-do.

Mr. Turner (Ottawa-Carleton): Try that again.

Mr. Stanfield: I simply suggest that my hon. friends opposite are a little slow. I apologize for being too fast for them.

Some hon. Members: Hear, hear!

● (1540)

Mr. Stanfield: In any case, when this disorganized show reached the first intermission, it was announced to the audience that anybody who was unappreciative was probably alienated from federalism.

Some hon. Members: Oh, oh!

Mr. Stanfield: Sir, we can have a little fun about these things, but they are deadly serious. The whole performance has been ludicrous. It is certainly a serious matter that the government should have left such a trail of uncertainty and bitterness as the legacy of the road show put on in recent months.

We are no further ahead now than we were two months ago with regard to very important aspects of our petroleum policy, including what the government envisages in the way of a national petroleum corporation. Perhaps this mystique is intended to create the illusion that this national petroleum corporation is some kind of magic wand. Of course, it is not. It is no solution in itself either for our short-term or long-term needs, and it is no substitute for proper arrangements with the producing provinces or appropriate policies to increase Canadian participation in the private sector of the petroleum industry. Let this be very clear: any action the government takes with regard to oil or energy policy goes far beyond simply affecting future supplies of petroleum in this country. The government's actions, its attitudes and its behaviour will have a profound effect on the very future of our country.

In closing, let me return to my opening observations with regard to inflation. The government of Canada says it is impotent to act except, of course, in the long run; unable to protect either the ordinary Canadian or the national interest. I do not want to be unfair. Some people dignify the position taken by the Prime Minister by praising his candour. In my opinion it is not candour on the part of the government; it is callousness. There is no more critical issue confronting this country than the present challenge to our economic system. I say to you, sir, that I am weary of the argument that Canada cannot do anything because, it is said, Great Britain cannot do anything or President Nixon cannot do anything. If income policies are so hollow, if they have proven to be so inappropriate, why does the Liberal Party in Britain, which seems to be making such a come-back, support an incomes policy? I am tired of being told we cannot do something in this country because President Nixon may have failed, or somebody else may have failed.

Some hon. Members: Hear, hear!

Mr. Stanfield: Incidentally, the price performance of the United States in the last couple of years has been significantly better than ours in this country. There can be no question that inflation at the rate of 10 per cent or more a year presents a threat to the personal security and well-being of millions of Canadians. And there is surely no one so comfortable and secure as to be protected for long from the consequences of an eroding currency, diminished personal savings and failing public belief in the system of enterprise itself.

Why would anybody, apart from the comfortable few, continue to support an economic system in which the cost of housing escalates beyond their means, in which the cost of essential food and clothing absorbs more and more of personal income and where the value of their savings, in which the investment of their pension or retirement income is continually being diminished, is stolen from them by the rest of the community, in effect? There are many in the political process today who do not believe in the economy of enterprise, and while I do not for a moment question their sincerity, I do question their wisdom. There are others who pay lip service to the system of enterprise but who categorize excessive inflation and high unemployment as either international phenomena or acts of God.

As far as I am concerned, no government worth its salt can wash its hands of its responsibility to make every effort to redress the hardship which falls upon so many who are otherwise helpless. No government worth its salt can escape its responsibility to muster the general population in a shared national program of restraint, discipline and co-operation which will meet this challenge and overcome it. Surely restraint and discipline must start with the federal government itself. There must be leadership by example. In this new session of parliament we shall demand that new government programs be subject to an inflation test. In the form proposed, will the suggested program contribute to inflation? We have had presented to us today estimates which the President of Treasury Board (Mr. Drury) suggested were about $2 billion higher than the estimates last year. The proper comparison is to compare the estimates introduced today with the original estimates introduced a year ago.

Some hon. Members: Hear, hear!

Mr. Stanfield: One then finds that the difference is not some $2 billion—although that is no mean figure, for most of us at least—but it is about $3,629 million.

Some hon. Members: Shame.

Mr. Stanfield: I want to take a further opportunity to look into these figures before commenting on them at any length, but I just point out that the minister's reference is most misleading. Knowing him as I do, however, I am sure it is quite unintentional.

Some hon. Members: Oh, oh!

Mr. Stanfield: In fact, then, the estimates as introduced today are not 10 per cent higher than a year ago; they are about 20 per cent higher—one-fifth higher. We shall again be pressing the government to revise its thinking in relation to certain taxes which have an adverse psychological effect as well as an adverse cost effect in times of high and rising inflation. The Prime Minister, with a shrug or toss of his head, with a wave of his hand maybe, can settle if he likes for a further 10 per cent increase in the cost of living, or 15 per cent, if that is what it should be. Those who are inclined to agree with him—and there are those who are inclined to agree with him, whatever he says—

Some hon. Members: Oh, oh!

Mr. Stanfield: —must know that such an attitude consigns numbers of Canadians to a shortfall in life's essentials and to the inevitable denial of their reasonable expectation of the benefits of their own labours. This attitude in itself contributes to the inflationary psychology by reinforcing inflationary expectations.

● (1550)

We in the Conservative Party have not only proposed measures to combat inflation but, more important, we have the will to do so.

Some hon. Members: Hear, hear!

Mr. Stanfield: Perhaps this is because we believe that what Canada has achieved to this day has been because men and women have been free to launch their endeavours and to seek their rewards, to run risks and to profit from their enterprise. What we have advocated, what we argue for and what we espouse is to reward savings, not confiscate them; to encourage investment, not to confiscate it; to curb taxation, not to increase it. It is our policy to encourage private ownership of homes, of farms and of profitable enterprise and to maintain confidence in the value of personal initiative.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is a fundamental article of faith to our contemporary philosophy to see social justice fulfilled. There is no mention of this, strangely, in the Speech from the Throne. We want to see social justice fulfilled as it can only realistically be fulfilled in an environment of national order and national purpose. Inflation that is uncontained means injustice and growing disparity for millions of Canadians. We have to decide, and very soon, whether it is an acceptable truth that the achievement of a stable economic system is beyond the competence of our free institutions. I, for one, believe in the capability of a free people to respond to any such threat or challenge to their well-being.

I believe the present condition of the country requires the reassertion of our faith in our institutions. There are many ways to give expression to our faith. One of them, surely, is to say to ourselves and to others that this country can enjoy more responsive leadership and government, and to believe that Canada is not beset by problems of insoluble, global magnitude but is in fact a country confronted by unique and rare opportunities. Nothing was ever achieved under the slogan "It can't be done". We do not support that attitude of resignation and we will not support it in this parliament.

I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner)—

Some hon. Members: Oh, oh!

Mr. Wagner: You are nervous.

Mr. Stanfield: Mr. Speaker, I read in the newspaper today that the government had come back to face parliament with great confidence. I have never seen such a nervous-looking bunch.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I move that the following be added to the address: "We respectfully affirm to Your Excellency that Your Excellency's advisers do not possess the confidence of this House".

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I recognize the right hon. Prime Minister (Mr. Trudeau).

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Boy, you must be nervous.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is interesting to hear the Leader of the Opposition (Mr. Stanfield) and the hon. member for Edmonton West (Mr. Lambert) describe members of this caucus as being nervous. I think this kind of misunderstanding of the mood of the House is quite the same as his misunderstanding of the mood of his own caucus.

Some hon. Members: Hear, hear!

Mr. Trudeau: Before disagreeing further with some of the arguments put forward by the Leader of the Opposition, I should like to join with him in saying that it gives me great pleasure today to congratulate the mover and the seconder of the address in reply to the Speech from the Throne.

Some hon. Members: Hear, hear!

Mr. Trudeau: The hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier) are among the youngest members of the House, in terms of seniority, but they have both established impressive reputations for very hard work and a very conscientious approach to the constituents concerned, to the business of this House, its committees and its caucus.

Some hon. Members: Hear, hear!

Mr. Trudeau: I think it is traditional, Mr. Speaker, to say that one cannot help but be hopeful about the future of this noble institution of parliament when one sees contributions of such high standard and potential made by members from various parts of the country. I would want to add that one cannot help being very encouraged and very gratified by the fact that these young Liberals have spoken in a way which indicates that the spirit of Liberalism is very much alive and very much on the march in this country and in this parliament.

Some hon. Members: Hear, hear!

● (1600)

[*Translation*]

Mr. Trudeau: We are beginning the second session of the twenty-ninth parliament at a time, Mr. Speaker, when the rapidly changing circumstances of the family of man are making unprecedented demands upon the wisdom, the courage and the foresight of national governments all over the world.

As the Leader of the Official Opposition (Mr. Stanfield) pointed out, seldom has a year been so marked by sweeping changes and unpredictable events as was 1973. Few countries were unaffected; fewer still could disregard the lessons of those events.

We have learned that in a world of trading nations grown closely interdependent, no state, no matter how

strong economically, is immune from disruptive pressures in strategic commodities.

In a world where law and its moral foundations are too often held in disrespect, we have learned that no society, no matter how democratic or politically mature, is guaranteed stability if elements in it become greedy, or unmindful of the rights, dignity and needs of others.

We have learned that in a world where terrorists and hijackers are protected by some governments, no community, no matter how peaceful, can safeguard the physical security of its inhabitants without their co-operation and understanding.

Here in Canada, Mr. Speaker, a growing population, better trained and educated and with higher expectations than ever before, a society increasingly urban-oriented and industrialized, has imposed its own strains upon nature and upon every social institution from the individual family to Parliament.

We are surrounded by changing circumstances in every facet of our individual and collective existence. Mr. Speaker, I might be tempted to say that the one thing that does not change is the usual complaint of the Leader of the Official Opposition (Mr. Stanfield) about a situation which he cannot resolve himself. It is a bit nostalgic, Mr. Speaker, to hear the same clichés and the same feelings of frustration invariably voiced by the Leader of the Opposition each time he rises to speak.

In the midst of change, Mr. Speaker, it is important for us as Canadians to understand the present reality so that we can control our future direction as a nation.

What is the Canadian reality? We are unquestionably a most fortunate people. Through no virtue of our own we find ourselves living in what, in relative terms, is the richest country in the world.

We can grow on our land more than we can eat. We can take from the sea more than enough for our needs. Perhaps alone amongst the industrialized nations of the world we possess adequate supplies of energy. Below the ground we have an abundance of minerals which world demand is making increasingly more valuable.

We are a strong and prosperous people, with human and natural resources sufficient to make us the envy of every nation.

It could not escape the notice of those who observed the federal-provincial energy conference last month that our primary problem as a nation is not war or shortages or famine, as it is in many other countries. Our problem is the equitable distribution of our most abundant wealth, and of the developmental opportunities which flow from that wealth.

It is important for us to understand our problems in the context of our strength, to know that we are in a better position than any other country on earth to create the kind of society we want for ourselves and our children.

Yet, despite our very high standard of living, there are continuing problems which Canadians expect a strong central government to remedy.

[*English*]

Although we are a prosperous nation, there are many Canadians who are poor and in need of help. There are many who, through no fault of their own, find it difficult to make ends meet. There are many who need better housing. There are regions which need help to provide jobs for their people. There are areas where better transportation services are needed for the efficient and economical movement of people and commodities.

In the past, Liberal programs have responded to these needs through such things as income support measures, urban development and housing policies, transportation subsidies and regional development funds; and now, once again, the House is debating the outline of a Liberal legislative program designed to respond still further to these and many other needs of Canadians.

Of all the problems facing Canada at the present time, however, the most personal, the most pervasive and the most difficult to solve—I was glad to hear those words from the mouth of the Leader of the Opposition or, rather, that thought if not the words—is the rising cost of living. Every Canadian, indeed every person in the world, is affected by inflation. Some are hurt very badly as they see their limited incomes steadily eroded by rising prices, parents as they learn of increases in the price of children's shoes and clothing, married couples as they see the cost of housing rising beyond their reach, elderly people whose diet is restricted by rising food prices.

Such social inequities should not exist in a country as rich and as prosperous as Canada. That it does exist is a challenge to us all, certainly to this government, particularly those of us who occupy positions of public responsibility in various areas of the public sector. It is a challenge to those in a position to influence public opinion, to those who exercise leadership in labour, management and the professions, to the powerful in all sectors of our society. The whole community, I would suggest, has some responsibility for creating an economic climate where many are hurt and the weakest suffer the most, for tolerating and even encouraging a social climate in which the ideals are not the conservation and sharing of limited resources but, rather, the stimulation of even greater consumer demand with everyone wanting to take more from society and to give less.

• (1610)

We cannot change such ingrained social attitudes overnight, but we can take hope from the evident desire of many younger members of our society to become more responsible stewards of the bounties of this land and to subordinate selfish interests to the cause of social justice.

It is the continuing intention of this Liberal government to bring about the equitable redistribution of our national wealth, to give to the weak who cannot protect themselves against inflation and to take from the strong who should not be allowed to profiteer from inflation.

Some hon. Members: Hear, hear!

Mr. Benjamin: Why didn't you say that three years ago?

Mr. Trudeau: Mr. Speaker, I cannot identify the hon. member who talks about three years ago, but I understand he is in the NDP. I would like to recall, for those of them who were in this House three years ago, that they sat on

their hands when this government brought in a white paper on tax reform—

Some hon. Members: Hear, hear!

Mr. Trudeau: —a white paper that I must confess was somewhat more progressive than the law which finally passed this parliament. They were happy to sit back and see the pressure groups in this country hammering away at the government on that white paper while, as I say, they sat smugly warming their hands.

Some hon. Members: Hear, hear!

Mr. Stanfield: Don't wash your family linen in public.

Mr. Trudeau: It is a fact, Mr. Speaker, that even as a majority government it took us months and months to get our income tax legislation passed through this House because these people made no gesture to support us on its more progressive measures, those that had first been brought forward in the white paper. I hope that next time we bring in some progressive legislation they will feel it is a good thing to support us, because this time they know that if they do not, they will have to respond to the people immediately rather than wait until later.

Some hon. Members: Hear, hear!

Mr. Trudeau: I would say that Canada cannot insulate itself absolutely from the adverse effects of worldwide disruptions in the price and supply of essential commodities, but we can and must ensure—

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, there seems to be some disagreement in the NDP caucus between those who were here three years ago and those who arrived only last year. Let them read *Hansard* for that year and see what happened.

Mr. Stanfield: Again, I don't think a family should wash its dirty linen in public.

Mr. Trudeau: As I was saying, Mr. Speaker, all Canadians must share as equitably as possible both the burdens and the benefits resulting from the new economic paradox of our times. To underline the strength of our commitment, may I remind the House that it was a Liberal government that increased pensions and family allowances and tied both to the cost of living. It was a Liberal government that provided subsidies to limit increases in the price of bread and milk. It was a Liberal government that indexed personal income taxes.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Peters: A minority Liberal government.

Mr. Trudeau: Mr. Speaker, the Tory Party sometimes complains about our not listening to some of their suggestions. Surely they should be satisfied—

Mr. Stanfield: Oh, very.

Mr. Trudeau: —in view of the fact that the people of Canada in their wisdom decided not to entrust them with the responsibilities of government, and thankful for the fact that the government entrusted with those responsibilities should take the very best ideas from them.

Some hon. Members: Hear, hear!

Mr. Trudeau: It was a Liberal government that indexed personal income taxes, that insulated our petroleum—

Mr. Grafftey: A Liberal socialistic coalition government.

An hon. Member: What's next?

Mr. Trudeau: Next, Mr. Speaker, is to inform the members opposite that it was also a Liberal government that insulated our petroleum market from worldwide distortions and—

Some hon. Members: Hear, hear!

Mr. Trudeau: —used tariff and other trade policy measures to lower the price of many goods to Canadian consumers. We will not allow the sharpest effects of inflation to fall upon the weakest members of our society. We will not allow corporate profiteers and gougers to pile up unearned windfall profits at the expense of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, let no one think that a Liberal government, this Liberal government, will not use the considerable power at its command to uphold the public interest in the absence of voluntary restraint on the part of those who otherwise might be tempted to exploit the people of Canada. Perhaps some of the people on the other side will now leave the centre of the road, where they are trying to appeal to their affluent supporters and to academic supporters, and instead support a really liberal-inclined government.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I also find it important to commend those whose performance has been responsible and restrained in this society. I find it appropriate at this time to destroy the myth that the cost of labour has been a dominant factor in contributing to the present inflationary round in Canada. That is not true. It is not the average working man who has exerted excessive upward pressure on prices. Certainly, labour over the past year in Canada has demanded and has received higher wages and better fringe benefits. No one can blame them for that. But the essential consideration is that labour in general has not used its great power in such a way as to impose an unfair economic burden on the rest of society.

Mr. Speaker, I believe in giving credit where credit is due. Inflation is not a new problem. It is the rate of increase which is new. During the past two years an unprecedented round of price increases and shortages of food and industrial raw materials has sent shock-waves throughout the entire world economy.

Because a fifth or more of Canada's gross national product originates in foreign trade, we have certainly not been immune from the adverse effects of worldwide economic pressures largely beyond our control. Nevertheless, Canada's performance in relation to other industrialized countries has been slightly better than average during the past three or four years. The Canadian dollar is among the world's strongest and most sought after currencies. This reflects the judgments of the money markets of the world on the Canadian economy. Our economy is buoyant and we have the confidence of knowing that economic trends in a resource-hungry world are moving in our favour. It is this which the Leader of the Opposition took such time to describe in one word—the word "failure". Surely here again we have the nostalgia for clichés coming back all the time. Had the Leader of the Opposition only yesterday looked at the figures published by Statistics Canada, he would have seen that the rate of real growth last year was the greatest in 17 years.

Some hon. Members: Hear, hear!

Mr. Trudeau: You have to go back 17 years to equal it. Statistics Canada also revealed that we created more jobs last year than in any year of our history.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, if that can be described as failure by the Leader of the Opposition, and if the government can be blamed for that kind of failure, then we are willing to take credit for that kind of failure.

Some hon. Members: Hear, hear!

● (1620)

Mr. Trudeau: I think this is what every unbiased observer in Canada or abroad would call success, Mr. Speaker, and not failure. But I am not particularly surprised at the misunderstanding or misrepresentation of events, because again today the Leader of the Opposition, misunderstanding or misrepresenting—unintentionally, I am sure, because probably he did not refer to or see the words he ascribed to me—indicated that I was talking about 10 per cent when I talked of a rate of inflation last night on TV. I have his words. He indicated that "the Prime Minister is himself encouraging Canadian people to encourage further inflation at a rate of about 10 per cent per year. He said that." Mr. Speaker, I did not rise on a question of privilege, but I should like to inform the Leader of the Opposition that I did not say that and he is mistaken.

Some hon. Members: Shame.

An hon. Member: Withdraw.

An hon. Member: Resign.

Mr. Trudeau: Note, Mr. Speaker, I do not ask the Leader of the Opposition to withdraw and I certainly would not want him to resign, because I have myself seen reports of what I was alleged to have said in Toronto. They were erroneous reports. They were unusually erroneous, because the Canadian Press is usually accurate, I believe. But they were quoting what I had said about, I believe, the problem of western alienation and the attitude of Albertans to federalism. I must inform this House and the Leader of the Opposition, who was made bloody-minded by that misquotation, that those were not the words I used. I would be happy to send the Leader of the Opposition a transcript of my words as it has been sent to members of the press gallery. I hope that the several editorials that were drawn to my attention based on these misquotations will cease being written, because the editorial writers should realize what this kind of thing does to the mind of the Leader of the Opposition.

Mr. Stanfield: I will add this to my collection of your misquotations.

Mr. Trudeau: They inflame him beyond control, Mr. Speaker. He used out in Alberta, I believe, the word "bloody-mindedness"; he used the word "angry". He is using today the word "vigilante". Surely these are rather demagogic accusations to be in the mouth of a man who says that the causes of inflation are largely psychological.

Some hon. Members: Hear, hear!

Mr. Trudeau: I think there are a few inflationary circumstances existing in the words and ideas of the Leader of the Opposition. He is inclined to efface his feelings a little bit more than reality warrants.

[*Translation*]

Given these facts, Mr. Speaker, it is clear that our remedial action against inflation must take place on four fronts.

First, we must continue to protect those of our citizens who are most vulnerable to the effects of inflation, particularly pensioners and low-income families.

Secondly, we must continue to apply special selective measures designed to modify the impact of inflation upon Canada and Canadians—measures such as the indexing of income taxes, the oil export tax, subsidies on consumer products such as milk and bread, and controls on the export of certain commodities.

Thirdly, we must continue to take appropriate action to ensure for the Canadian consumer a secure and adequate and reasonably priced supply of those commodities, particularly food and fuel, which we ourselves produce for domestic and foreign markets. Top priority must be given to the elimination of damaging and unsettling fluctuations in the supply and price of our domestic products.

Fourthly, we must continue to seek the co-operation of other countries in reaching agreements which, as far as possible, will assure for Canadians a secure supply of imported commodities at reasonably stable prices.

Therein, Mr. Speaker, lie the main thrusts of the Throne Speech which has been placed before us. Its proposals in relation to food and energy are aimed directly at the problem of supply—at ensuring the healthy growth and stability of the production and marketing process.

[*English*]

With regard to our oil policy, the federal government sees it as its duty to manage the economy in the interests of all Canadians and to moderate the inflationary effects resulting from the oil crisis. To this end, we are discussing

with the provinces a domestic and export pricing structure directed toward three objectives: first, to protect the Canadian consumer; second, to encourage producers to explore and develop our non-conventional and frontier resources; third, to give the producing provinces a fair return for the value of their resources.

In insisting upon a federal share of the increased revenue deriving from higher oil prices, this government is not trying to stake a claim to provincial resources. Neither are we quibbling about the specific pricing and taxing mechanisms to be employed. But we are insisting that the government of Canada be allowed to discharge its duty to all the people of this country.

Where there are actual or potential conflicts between the interests of the producing companies and individual consumers, or between the producing and consuming provinces, there is a clear and fundamental obligation of the federal government to intervene in the over-all national interests. To intervene effectively we must have the financial capacity to direct the economy toward national goals and to spread the burden of higher prices evenly across the country.

Some hon. Members: Hear, hear!

Mr. Trudeau: I do want to lend emphasis to that point, Mr. Speaker, because I think that many of the Canadian public, both on the producing and consuming side, have been led to see in this a quarrel of jurisdiction over natural resources. That is not the way we view the case and we are not using constitutional arguments in order to make a grab at anything. We are just explaining to the Canadian people what could be the effects of the oil crisis which exploded in the Middle East and which had dire consequences for the economy of the world. Here I would use the words used by the Leader of the Opposition just half an hour ago when he was talking about the effect upon world economies of the present situation. He referred to the deleterious effect.

● (1630)

Mr. Stanfield: It was longer ago than that.

Mr. Trudeau: I stand corrected; it was longer ago than half an hour: obviously, the Leader of the Opposition used that phrase earlier in his speech. Nevertheless, the point is the same. This is not a jurisdictional quibble. This is a duty discharged by the government of Canada to ensure that the kind of disorder and disruption, which has been brought upon the economies of many nations which could not find within their own borders policies to stabilize the impact of disruptive prices, does not take place in Canada. Canada does have power to avoid such disruption and it is in the discharge of its duty to manage the whole economy and to keep inflationary pressures down—this was eloquently pleaded by the Leader of the Opposition—that we are stating the oil policies which have been made known to the Canadian people.

If we abandon our duty in this regard, the alternative would be massive economic disruption leading to much more severe inflation, unemployment and regional disparity. In this regard, Mr. Speaker, we know our duty and we will not retreat from it.

Some hon. Members: Hear, hear!

Mr. Trudeau: Our food production policy will encourage the farmer and the fisherman to increase and improve the supply of those foods which we can produce efficiently and economically in Canada. By working toward the stability of prices and incomes we will be helping our consumers, and we will also be giving to our producers the security they need to get on with the job of growing as much as they can for our domestic and export markets and for our foreign aid programs. The Leader of the Opposition made an eloquent plea for those programs at the beginning of his speech. I indicate to him now, again, that we are in agreement with him, although I am not sure from which side the ideas were stolen.

It is the cause of inflation that we are dealing with, not just the effects. Hence, we on this side of the House have earned the right to be suspicious of simplistic palliatives such as wage and price controls which attack the symptoms rather than the illness. It has been demonstrated in the United States and the United Kingdom, for example, that price controls, while offering some temporary relief to consumers, had the far more serious and damaging effect of drying up the sources of supply. The result of such controls has been a temporary fixed price for scarce and sometimes unobtainable products, followed by a surge in price when the controls are inevitably lifted.

I had a quotation from Mr. Nixon who is reported by the press as having said that price and wage controls had been found wanting. However, rather than quote authorities which I understand are rejected by the Leader of the Opposition—

Mr. Stanfield: Do you need a good tape?

Mr. Trudeau: —I am tempted to recall what I think must be the earliest joke I ever heard. The story involves a lady who went into the grocer's and asked if she could buy a pound of bananas. She was told they were 25 cents a pound: I believe those were the figures used in my childhood. She complained that down the street bananas were selling for 20 cents a pound. When asked why she did not buy her bananas down the street, she said, "They are all out of bananas." The grocer then said, "When I am out of bananas, I sell them for 15 cents a pound."

Some hon. Members: Hear, hear!

Mr. Trudeau: It is a simplistic story, perhaps the earliest one I recall and probably the earliest which I was able to understand. However, simplistic stories serve to illustrate simplistic solutions and to underline them.

It is the necessity for flexibility in a period of rapid economic change which makes me dubious about the across the board, blockbuster type of controls suggested by the Conservative Party. Blockbusters are practical instruments if you have a block to bust. The problem is that inflation is not a homogeneous block. It is a shifting mass of moving and competing factors, all of which are not amenable at the same time to any single corrective action.

I much prefer a system such as we have been using during the past many months: selective measures applied to selected goods and services in different ways and at different times as the occasion warrants. It is a sensitive

system, appropriate to a society seeking to control change in the most effective manner. The government has applied such selective measures in the recent past to milk, bread, oil and some petroleum product and we will not hesitate to use other counter-inflationary measures as they become necessary.

We will not hesitate to go after the so-called big guys in the marketplace if action is necessary to protect the Canadian consumer. The people of Canada know that it was a Liberal government and a Liberal minister which secured from the powerful oil industry a freeze on the price of oil and petroleum products. It was a Liberal government which imposed the export tax on oil, ensuring that the people of Canada have received so far over $300 million that otherwise would have gone to the oil companies, the big guys, as windfall profits.

Some hon. Members: Hear, hear!

Mr. Trudeau: The Tories say they would apply a 90-day freeze to incomes and prices and during that time they would look for less drastic and more permanent measures. Mr. Speaker, this has been the siren song of the Leader of the Opposition ever since the hon. member for Don Valley (Mr. Gillies) reversed his stand last February.

Mr. Stanfield: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I ask the Prime Minister if he will forgive me because I have to leave this chamber to keep an important commitment. I assure him I will not ignore the speech. I will read with great interest the rest of his speech.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I want to say that the Leader of the Opposition told us on this side that he had a commitment and he would have to leave at this time. I certainly understand the circumstances of his leaving as I, on several occasions, have had to leave in the middle of speeches made by the leaders of various other parties. I, too, had longstanding commitments to keep, so that his leaving is understandable. I just hope that when he is at the $100 per plate dinner tonight at Toronto he will not complain about the disincentive to work which is created by unemployment insurance benefits.

I was saying that for several months we were prepared to listen with interest to what the Tory Party, if it ever formed the government, would do after the 90-day freeze was over. Surely after a year we should be entitled to know what is going to happen after the 90 days. Surely this is the best demonstration possible of their inability to spell out effective, long-term solutions.

● (1640)

Some hon. Members: Hear, hear!

Mr. Trudeau: We are all in favour of a 90-day study period if you do not know what is going to happen after it, but we do not feel we need that study period because we as a Liberal government have been applying corrective measures now and will continue to do so.

[Mr. Trudeau.]

Some hon. Members: Hear, hear!

Mr. Trudeau: I have spoken about the economic cost of the type of control advocated by the Tories which is beginning to be known as Tory wage controls.

Some hon. Members: Hear, hear!

Mr. Trudeau: However, there is a social cost. I have been disturbed, Mr. Speaker, by the tendency of some advocates of general controls to try to convey the impression that controls could be imposed at negligible social cost to the people of Canada. This is disturbing to me because it smacks of political opportunism.

It is less than honest to dwell expansively on the pleasant prospect of fixed consumer prices, while at the same time diverting attention from the not so pleasant prospect of fixed incomes. It is less than honest not to tell the public that wage controls have their own set of injustices, that they apply most inflexibly to blue-collar workers whose pay can be easily monitored, and most flexibly to white-collar workers who can be given a salary increase under the guise of an artificial job reclassification. As to the possibility of sophisticated abuse by landlords, professional and self-employed people, it is self-evident.

Some hon. Members: Hear, hear!

Mr. Trudeau: This is not said as an attempt to argue against the theory of controls. I am looking at the political aspects of it now. I think those who talk about controls as a simple measure should take the trouble to recognize the dignity and the right of their audience to know the difficulties I have just pointed out. For those reasons, income controls risk hurting the small and the poor more than they do the big and the rich; and while that might be of minor concern to the more conservative governments and political parties, it is of great and fundamental concern to this government.

Some hon. Members: Hear, hear!

Mr. Trudeau: We do not believe that the workingman should be expected to bear an unfair share of the cost of solving the problems of inflation, and that is why we will ask him to treat with great skepticism any argument for general controls which does not set out all the facts, the pleasant as well as the unpleasant, those with political appeal and those without.

Aside from the 90-day freeze, what else does the Leader of the Opposition offer as an alternative to the proposals the government has put forward? He offers an energy policy which omits all the essential and potentially controversial details. He offers his concern about the impact of inflation upon Canadian individuals, families, communities and institutions, a concern which I know is sincere, a concern which is common to us all. What he does not offer is a package of workable solutions to inflation and the many other problems we face as a country.

Some hon. Members: Hear, hear!

Mr. Trudeau: I heard the Leader of the Opposition say this afternoon, to the great applause of his supporters, "We have the will to do it." Of course, Mr. Speaker, they have

the will. They have shown us that ever since the day after the election. They have the will to be the government. They just do not have the means to govern, that is the trouble.

Some hon. Members: Hear, hear!

Mr. Trudeau: The Leader of the Opposition calls for leadership, but surely he is not showing leadership. He is just inviting us to drift in a sea of uncertainty. He reminds me of a marooned sailor drifting helplessly in a life-raft in the middle of the ocean. When he sees a great ocean liner go by, he offers to rescue the ocean liner on condition that he be allowed to be captain of the ship. I draw a similar parallel to allude to the goings-on in the New Democratic Party. It has to do with an ocean liner but the parallel is a bit different. It has to do with seagulls. Because they were squawking and making a lot of noise, they thought they were actually running the ship.

Some hon. Members: Hear, hear!

An hon. Member: What else do seagulls do?

[*Translation*]

Mr. Trudeau: It is the French equivalent of pulling someone's leg.

[*English*]

The people of Canada have a right to know where political parties stand on the issues of the day. The Conservative leader stands before the people of Canada and says, "Give me your support. My heart is filled with good intentions." We have told them where the Liberal Party stands.

[*Translation*]

The people have the right to know the fundamental philosophy and guiding principles upon which our policies are based. These, Mr. Speaker, are the principles of this Liberal government, the principles which are set forth in the Speech from the Throne and which will be reflected in the measures we will introduce before Parliament during this session.

We believe that Canada needs a strong central government to protect the national interest, prepared to stand up to provincial or regional interests with the confidence that it has the backing of the people of Canada.

We believe that the benefits of our wealth and the burden of our national problems should be shared equitably by all the people, wherever they may live.

We believe that Canadians are entitled to a sense of security, confident in the knowledge that they and their government can control the changing circumstances of our collective life, rather than be the victims of change.

We believe that Canadians should control activities within our borders which have a significant impact on our growth as a nation.

We believe that Canada must take full advantage of its potential to be self-reliant in the basic needs of life.

We believe that the government has a right and a duty to intervene whenever it is clear that private enterprise is unlikely or unable to act in the national interest.

We believe that individual Canadians, especially those least able to protect themselves, have a right to be protected from the consequences of events over which they have no control, and protected as well from intimidation by big business, big labour or big government.

Those are the principles upon which our legislative proposals are based. That is the philosophy of this Liberal government in the important areas I have discussed today.

Mr. Speaker, we have presented to the House a Throne Speech which I believe is a solid working document, worthy of occupying the attention of hon. members throughout this session. It is a document which responds to the need for strong federal leadership in uniting Canadians in an attack upon our common problems.

It is a document which will help millions of our citizens to plan for the future in an atmosphere of security and optimism. It is a worthy agenda for a Parliament which has already done much more than was expected of it by those who predicted its early demise.

It is a document which commends itself to those hon. members who believe, as I do, that our common task is to make this Parliament work—work hard and effectively—for the good of Canada.

● (1650)

[*English*]

Mr. David Lewis (York South): Mr. Speaker, I can understand why the supporters of the Prime Minister (Mr. Trudeau) applauded him for so long. If you would permit me to say so, he spoke today as though he was not bored with his own words, and that was a very pleasant experience.

Much of what he said will be extremely useful to the New Democratic Party and to me. It was evident he was rehearsing in preparation for his electioneering, when the time comes, during which he will take credit, single-handed, for all that the last session of parliament accomplished. Let me tell him, Mr. Speaker, that even though he said those things with a straight face, I could tell that he did not believe in them. He sounded incredible to me, and I am sure the people of Canada will not believe him either.

If I might be permitted to give him some advice—it has been suggested by many that I have been doing so for more than a year—I would say to him that the less arrogant attitude he has shown during the last session might work better during the next election and that the people of Canada might appreciate more honesty from the Prime Minister in admitting that the accomplishments of the last session—and, I hope, of this session—were those of a minority government in co-operation with New Democrats and others.

Some hon. Members: Hear, hear!

Mr. Lewis: As to the suggestion that some of us might be seagulls, I would say to the Prime Minister that at least a seagull is a beautiful bird, one whose flight is beautiful to watch, whereas there are fish in the ocean that are not worth catching, let alone watching.

I do not think I have ever, either in this chamber or anywhere else in my experience in politics, in the law or

in contact with people in Canada or across the world, heard a statement further from the truth or more convoluted than the Prime Minister's attempt to blame the New Democrats for the fact that Mr. Benson and the Liberal government scuttled their own white paper in 1971. One really does need some quality or other—I do not know how to describe it, but perhaps "gall" or "insensitivity" or a combination of those words might do—in order to make a statement of that kind.

I have a clear memory of the back benchers of the Liberal Party running all over Canada in 1971 apologizing for the white paper and telling the people to oppose it. Some of them are still sitting in this chamber. What did the Prime Minister himself have to say? Dealing with this white paper on taxation, trying to explain why his government scuttled it, he said in the course of a television program on December 28, 1971:

> I concede your point, too, that it is likely we heard more from the vested interests than we did from the Liberal taxpayer who did not have the high-paid lawyers to speak for him . . . I suppose in participatory democracy there will always be someone whose voice is louder than others.

That was a true statement, but there was one important omission. The Prime Minister should have said, "It is likely we have heard and listened more to the voice of vested interests than to the voice of the taxpayer." This approach to the problems, described as seriously as the Prime Minister described them, baffles me. It baffles me when I hear him say, I am sure with sincerity, that his government does not believe the workingman should carry on his shoulders the burden of the fight against inflation. Those are not his actual words but that is roughly what he said. As I listened to those words I recalled what his majority government did in 1969 when it created massive unemployment in its fight against inflation. If that does not mean the workingman carrying the burden, I do not know what does.

I am happy to accept that the Prime Minister may have changed his mind and I am glad to admit that any person who is willing to change his mind and who is capable of changing it is a person who ought not to be attacked. But he ought not to speak in a way that suggests that never, as Prime Minister, has he tried to place the burden of fighting inflation on the workingman, because in fact no other government ever did this so heartlessly as did the Liberal majority government in those years.

I agree with both the Prime Minister and the Leader of the Opposition (Mr. Stanfield) about the seriousness of events both national and international at the present time, and about the fact that we are meeting, in the second session of this parliament, at a time of crucial developments not only in this country but around the world. This is why I intend to try to deal with what I believe to be the contradictions and the dangers of our present system, which in my view are in major part responsible for the difficulties which face us.

[*Translation*]

Mr. Speaker, I agree entirely with the right hon. Prime Minister (Mr. Trudeau) who thinks that our difficulties, the difficulties of Canadians, the difficulties we face today do not result from war, shortages or famine.

[Mr. Lewis.]

Our problem—these are roughly the Prime Minister's words—is the problem of fair distribution of our tremendous wealth. I agree entirely on this.

● (1700)

[*English*]

Because I am in agreement with the Prime Minister's statement about what our problem is, I will try to deal with it in a way which my colleagues and I understand. The Leader of the Opposition said—again I cannot quote him, but these are roughly his words—one of the difficulties he finds is that the present government does not even begin to comprehend what is happening in Canada today. I agree with him in that, but my problem arises from the fact that the Conservative Party—and his speech showed this—fails to comprehend what the present situation is all about. In the competition of failure to understand, I am not at all sure that the Conservative Party does not win by a mile. In fact, in spite of all his speeches and statements, the Leader of the Opposition, as the Prime Minister pointed out, has not yet brought forward any such understanding or any program based on it.

[*Translation*]

Mr. Speaker, at the opening of this parliament in January 1973, the New Democratic Party decided to support the minority government in order to enable hon. members to fulfill the responsibilities given to them by their electors. We used our influence—I want to remind the Prime Minister of this—during the last session to have legislation and policies passed which we thought would benefit the Canadian people. And now, even those on my right who were eager to defeat the government a year ago claim for themselves the achievements of this Parliament because they know polls show that most Canadians applaud our decision, as well as the legislation which came from it. I think that given the success of the last session, hon. members of all parties must pursue the same efforts, that is to say they must run Parliament to produce constructive legislation and policies. We do not want to play politics as far as the Speech from the Throne is concerned. Our energies will rather be directed towards an evaluation of the bills resulting from the speech.

[*English*]

Having said that, let me emphasize that we want progressive action and a concerted effort to deal with the difficult problems facing every Canadian. I suggest that a failure to come to grips with these problems, even though the problems are not easily soluble, will mean a failure of this parliament and a failure of this country.

The task before all of us is certainly difficult, but that means in my mind that our determination must be correspondingly expanded to see that parliament does not fail the Canadian people. I suggest to you, sir, that history often produces moments which illuminate the conditions of a society more clearly than at any other time. I say this is one such occasion—and that it is such an occasion is graphically underlined by a Gallup poll published in several newspapers yesterday. The poll reported that almost half the Canadian people fear we are heading toward another depression despite the apparent affluence which now surrounds us.

The basis of this fear is easily identifiable. In half the country we face potential petroleum shortages and higher prices in spite of the fact that we have Canadian reserves sufficient to meet all our needs from coast to coast. We are told that food prices must continue to rise because of shortages, in spite of the fact we have one of the most productive and comprehensive agricultural industries in the world. We have a host of supply operations which plague the home building industry, despite the fact that the timber and raw material reserves in Canada are the envy of the world. In short, the incomprehensible contradictions that spell economic hardship for too many, and constant juggling of family budgets for almost all, have raised the spectre of a system almost completely out of control.

The individual family knows that its income can no longer keep pace. Today, as members of this House know, Statistics Canada research reported that in the last half of 1973 wages and salaries fell behind the rise in the cost of living by a full percentage point. Yet at the same time the same family has watched in awe the parade of profits strutting shamelessly across the financial pages of our newspapers. Even the hard-boiled editors of these newspapers admit that these increases in profits are embarrassing. The level of increase in corporate profits is almost unbelievable. I cannot accompany their parade with 76 trombones, but each one of the figures demands, "Hey, look me over".

The Prime Minister said, not once but several times during his speech, that his government would not permit profiteering and gouging of the people. I hope he is right. I hope his words are not merely said for their effect on the House and on the people of Canada, but that they reflect a determination that will result in legislation and action in this parliament and during this session.

Some hon. Members: Hear, hear!

Mr. Lewis: Increases in profits have already been unbelievable and unjustifiable. Let us look at a few of them. In the resource industries we find that the increase in profits in 1973 over 1972, by Falconbridge Nickel Mines, was 770 per cent; International Nickel, 107 per cent; Abitibi Paper Company, 260 per cent; Gulf Oil, 58 per cent. This is not limited only to the mining and petroleum industries. In the food processing and retailing industries, an area which hurts the Canadian family most directly, we find that George Weston enjoyed an increase in profits in 1973 over 1972 of 86 per cent, with an increase in revenue of about one-quarter or one-fifth of that percentage; M. Loeb had an increase of 73 per cent for a 40-week period; Canada Packers had an increase of 36 per cent for a 39-week period, and Schneider's showed an increase of 45 per cent during a similar period in 1973 over 1972.

Looking at real estate—I am going to give only one example—Cadillac Development Corporation showed an increase in profits of 59 per cent in nine months. Keep that in mind when I get to the subject of housing. Our "poor" banks that were at last permitted to use their money for mortgages in housing did not show an increase of 700 per cent in profits in 1973 over 1972, but Toronto-Dominion had an increase in profits of 25 per cent, and during the five years from 1966 to 1971 showed an increase in profits—I give this from memory—of around 85 per cent, while the Banque Canadienne Nationale showed a 52 per cent increase in 1973 over 1972. I could go on for some time giving many figures just as startling and just as damning.

I am not suggesting that high corporate profits are the only cause of rising prices, but I do say they expose unjustifiable gouging of the Canadian consumer. I am glad to hear the Prime Minister undertake to end this unjustifiable gouging in the future. I regret that even this minority government did not have the courage to end it in the past.

● (1710)

Some hon. Members: Hear, hear!

Mr. Lewis: I do say that parliament can act to reduce the level of price increases by taxing excessive profits and by selective price controls on basic materials such as steel, lumber, nickel, lead and zinc, just as we have done in the case of oil. These enter into the production of goods which Canadians need and consume, and every large firm—most of them multinational—which mines and produces these minerals and materials from the minerals has made immense profits in the last 12 months or so, and every one of them is continuing to raise prices totally without justification and at the expense of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Lewis: I want to make clear that we continue to reject the unjust and unacceptable proposal of over-all freezes and controls that the Conservatives still throw at this House and at the people of Canada. These have not worked anywhere else and they would not work in Canada. But at the same time we also reject the resignation and inaction of people who say that nothing can be done. We believe that a great deal can be done, not to eliminate inflation but to reduce the rate of the rise in the cost of living and to reduce the gouging by the corporations of the ordinary Canadian family.

Profits are a measure of what the corporate establishment takes from society directly. But Canadians are also aware that in addition to this rip-off at their expense as consumers, the corporations, many of them foreign-owned, enjoy a tax rip-off which compounds itself annually, a rip-off that costs the ordinary Canadian taxpayer hundreds of millions of dollars each year. By the end of 1973—I ask the Minister of Finance (Mr. Turner) and every member of this House to recognize what this means—the corporations, again many of them foreign-owned, held in their coffers the incredible amount of $4.7 billion in deferred taxes, most of which will never be collected by the public treasury. The Minister of Finance shakes his head. He should be ashamed of himself for suggesting that my statement is not right. He knows it is a fact that except for the small, penurious companies, the large corporations are not likely ever to pay back these deferred taxes.

At this point I should like to quote from the 1972 annual statement of Shell Oil. It said that it was not showing its deferred taxes in its accounts because it did not recognize them as a liability and did not expect ever to have to pay them.

Some hon. Members: Hear, hear!

Mr. Lewis: Every accountant, every auditor in this country and indeed in the United States knows that that is a fact. I remember vaguely that there was a report from one auditing firm suggesting that these deferred taxes should not be carried on the books because it was dishonest to suggest that they were a liability when in fact they would likely never be. I suggest that even a modest interest rate of 8 per cent or 9 per cent on this $4.7 billion would produce revenue of about $400 million a year. By gad, we could do much with this huge sum. For example, we could reduce the burden of the harassed individual taxpayer by $70 or $80 a year, instead of letting these corporations have $4.7 billion without interest.

I say to you, sir, that not until we rein-in the runaway power of the corporate monoliths can Canadians expect to regain economic sovereignty in their own land or move to build viable economies in the many regions of disparity, or take the steps domestically that can and must be taken to contain and restrain the upward rush of the cost of living.

My colleagues and I are fully aware that many elements of the cost of living are beyond national control. But we also know that many other elements of this worldwide bogey can be controlled if there is the will and the desire, and I suggest to you that this parliament must not lack either.

I want to give an example of big business domination, an example that every housewife in Canada knows about. I ask hon. members to consider for a moment sugar, an item essential in every kitchen across this country. The price of sugar rose 35 per cent in the month of January alone, and that brought about a 47 per cent increase above the price of a year ago. Obviously, such an increase affected the price of every foodstuff that has a sugar component, and this in turn must have been an important factor in the consumer price index for January.

There is no doubt at all in my mind that Canadians are paying an unjustifiable price for sugar. Why? Because we have failed to control the sugar cartel dominated by three majors in this field. I remind the House that those three companies—Atlantic Sugar, Redpath Sugar, and St. Lawrence Sugar—were convicted only ten years ago, in 1963, of price fixing and collusion. The same three companies are again before the courts on the same charges, despite their earlier convictions, fines and restraining orders. The court documents estimate that the price fixing activities of this sweet little trio has cost the Canadian consumer $125 million in about a decade.

One can forgive the harassed shopper who asks why in God's name these companies were not hauled into court long before this. Indeed, I ask, why have we not taken the action necessary to break up their monopoly which has fixed prices, prevented competition and conspired with foreign firms to guarantee their rip-off? I answer that the reason we have not taken such action is that Liberal and Conservative governments alike have had neither the will nor the desire to curb corporate power in this country.

I would ask you now, sir, to look at my favourites in the corporate rip-off family, the royal family of corporate chicanery, the petroleum companies which have had untrammelled freedom nct only in this country but in most other countries in the western world. These multinational brigands—and I say to you, sir, that the word is not too strong—have cost every nation dearly. Yet, what price Imperial today?

Even my friends on the right, even the leader of the Conservative opposition, have come to the conclusion that maybe we should take an informal look at the oil companies, I think he said, and the terrific windfall gains they are enjoying. Here in Canada they control our industrial lifeblood. They pay next to nothing in income taxes. In fact, they are enjoying interest-free loans which now amount to more than a billion dollars, and they charge for their products not in relation to cost but, as a top Imperial Oil officer recently said, what the market will bear. I say on behalf of the NDP, that the time has come to say to these companies that the people of Canada will bear it no longer.

Some hon. Members: Hear, hear!

• (1720)

Mr. Lewis: I think it is right to say that most Canadians recognize that some increase in the price of petroleum products is unavoidable, and that most of them are prepared to pay such an increase on two conditions—two conditions which we support. One is that the increase in the price of Canadian produced oil be reasonable and not the exorbitant international price, and the second is that the revenues from such price increases do not line the pockets of the multinational corporations but go into the public treasuries, both federal and provincial, to be used for the development of new sources of energy for future generations of Canadians.

I say to the Prime Minister that no policy which establishes a national petroleum corporation only to be the handmaiden of the large multinational companies, to assist them retain their control and maintain their profits, can be acceptable to any thoughtful Canadian and will not be acceptable to thoughtful members of this parliament.

Some hon. Members: Hear, hear!

Mr. Lewis: On behalf of the New Democratic Party, I say to members of this House, in accordance with the resolution my party adopted at its convention last July, that the developments of the past year in the petroleum sector of our resources have shown clearly that petroleum and its products should be treated as a public utility, serving not the interests of Exxon and the other international giants but serving the interests of this country and its people to whom these irreplaceable natural resources belong.

[*Translation*]

It is absolutely clear, Mr. Speaker, and we emphasized that during the last session, that the Food Prices Review Board is a complete failure. The New Democratic Party had suggested to the government to establish a board provided with powers to reject any unjustifiable price increase but the government preferred to create a powerless board. The efforts of that board are laughable except that it is at the own expense of the Canadian consumer. Here is an example: recently the board realized that a 4 cents increase in bread prices was unjustifiable and it could not do anything to stop the increase but to issue a press release. The New Democratic Party still believes

that the board could be useful to control food prices if the government would want to provide it with the necessary powers to roll back any unwarranted price hike.

[*English*]

Probably the most significant cost of living area—

Mr. Deputy Speaker: Order, please. Since at this point the hon. member's time, as provided by the Standing Orders, has expired, perhaps I should ask if he has unanimous consent to continue.

Some hon. Members: Agreed.

Mr. Lewis: I am grateful to you, sir, and to the generosity of my colleagues in the House.

Probably the most significant cost of living area in which Canadian legislators can immediately do something, if only the will were there, is in the field of housing. As parliamentarians it must be our duty, in this session, to stop tinkering with this basic right of Canadians, to stop treating housing as an economic mechanism, to stop relying solely on the profit incentive and to begin to give housing the social significance it demands and always has demanded.

Some hon. Members: Hear, hear!

Mr. Lewis: I notice that the Leader of the Opposition said something to the effect that he did not accept that we cannot put order into the housing situation. He did not go on to say how he proposed to put such order into the housing situation, but I agree with him that we ought not to accept the present situation. I do not have the time—I have already exceeded my allotted time—to quote the outrageous prices now demanded for homes, for mortgages, for rents in the new sterile tenements that stab our city skylines, or the usurious rents charged for the unkempt older buildings in city cores. All of us are too familiar with the $40,000 house that a year ago was worth $30,000, or the family income of $20,000 a year now needed to manage a first mortgage. I do not have to elaborate those facts.

I say that this parliament can and must take steps to end the rampant land speculation that is a blot on every community. We must take bold steps and make far greater sums available for public assembly of land to stem further gambling with this basic right. Our housing programs will have to be far more imaginative and much broader than any previously advocated by Tory and Liberal governments or we will stunt the family development of several generations. And precisely because this is a parliament of minorities we have the opportunity to replace past policies and to launch new approaches for the provision of shelter for Canadian families.

I therefore say, on behalf of my colleagues and myself, let us have the courage to enact legislation that will require financial institutions to make available an adequate percentage of their annual investment for completing homes at a mortgage rate not exceeding 6 per cent.

Some hon. Members: Hear, hear!

Mr. Lewis: And let us have the courage to make regulations governing such a program so as to provide priority for the 6 per cent mortgages for families in the middle and low income brackets. If someone suggests that this would create inequities in respect of those who already have mortgages at higher rates of interest, or with respect to renters, the obvious answer is that the taxation system can be adjusted to relieve the victims of usurious mortgage rates.

What I am trying to say—I hope I have succeeded—is that if we as Canadians are going to come to grips with the economic difficulties we face, we will have to go to the roots of what we call our system. Without fundamental change, without action to curb corporate power, particularly the control of multinationals, we cannot meet the challenge of the seventies. We risk allowing more and more of our people to fall below the standard of living we have come to accept as fair and equitable. For our society is still riddled with inequity and plagued by unnecessary poverty.

● (1730)

If there are members in this House who have any illusions about the distribution of wealth and income in this country, let me cite a few figures which underline the devastating inequalities which still darken the face of Canada. I want the colleagues of the hon. Leader of the Opposition (Mr. Stanfield) to convey to him some of these facts in view of his fatuous statement about the little fellow owning Canada Savings Bonds in this country. He ought to look at some of the facts before he makes that kind of fatuous statement. I deal with statistics before 1970 because they are the latest available, but I have no doubt that the present situation is at least as bad and probably worse.

The fact is that more than half Canada's families and individuals—to be exact 53.5 per cent—had no saving deposit in any bank at all in 1970 and that 13 per cent of all the people in Canada held 55 per cent of the total deposit value.

The fact is that 80 per cent of Canadians did not even own a single Canada Savings Bond. But the little fellow, says the Leader of the Opposition, owns Canada Savings Bonds, the 20 per cent being the little people of Canada and the 80 per cent the big people of Canada, according to him. Mr. Speaker, as I say, 80 per cent of Canadians did not even own a Canada Savings Bond in 1970, but 4 per cent of Canada's people owned 65 per cent of the total bond value distributed. As well, 86 per cent of Canadian families and individuals did not own any stock at all, whereas 2 per cent of all Canadians owned 64 per cent of total stock value.

Perhaps the most important, most telling, most revealing statistic of all is the fact that the top 10 per cent of Canadian families and individuals on the income scale receive more in salaries and wages than the bottom 50 per cent. Nothing can be clearer. We have extreme inequities in our country, inequities which make it impossible for most Canadians to retire from the labour force after a reasonable lifetime of service.

[*Translation*]

My colleagues and I are proud to have participated during the last session in the enactment of a series of laws which resulted in a substantial increase in old age security

pensions and veterans' pensions. However, the old age pension scheme still does not provide enough to meet in full justice the needs of older citizens.

I want to point out, Mr. Speaker, that we the privileged of society have a tendency to forget that most jobs which are necessary for the good operation of our society are monotonous jobs which provide no personal satisfaction or esthetic reward. Picking up other people's refuse is neither a pleasant job nor one that pays. A man or a woman who must work at this kind of job for thirty or forty years is entitled to retire at 60 if he or she wishes to do so. And in order to do that society must assure them of a reasonable rate of pension because I am convinced that a great many Canadians who would like to retire at 60 do not have the means to do so.

[*English*]

Mr. Speaker, it is impossible in 30 or even 40 minutes to touch on all the areas with which I should like to concern myself today, but in concluding I want briefly to mention two other matters. I want to declare my deep disappointments in the government's failure even to mention the north of Canada or the native peoples of this country.

Some hon. Members: Hear, hear!

Mr. Lewis: This is a heartbreaking failure, particularly because there are so many vital questions affecting the destiny and future of our native peoples. It is to me totally incomprehensible how the minister responsible could have permitted such neglect, a neglect that is as insensitive as it is dangerous not only to the native people but to the future democracy of this country.

The Speech from the Throne uses many words about agriculture, regional disparities and freight rate injustices. We have heard these words before. We have heard them many times and in many parliaments presided over by Liberal and Conservative governments. But the fact is that insecurity for the farmer remains, that the disparities grow across this country and that the national transportation policy of Canada continues to be a glaring failure under whatever minister presides over the department.

I say, Mr. Speaker, that we of the New Democratic Party want this parliament really to act, to stop being satisfied with words and to act so that the west, the east and the north of Canada may enjoy the same standard of development now enjoyed by the centre of our country.

I believe that the challenge that faces Canada now is the capacity of parliament and government to curb the powers and irresponsible actions of the corporations. Many of them have interests outside Canada because they are multinational. The challenge lies in our capacity to take effective steps to tax the exorbitant and excessive profits of the corporations; to make the corporations at last pay their fair share of the funds needed to run the country and to carry the social programs which alone give us the right to describe Canada as a civilized society. Above all, Mr. Speaker, we must take control of the Canadian economy out of the hands of the multinational corporations which treat our country, as they treat every other country, merely as another source of exploitable natural resources.

It is my firm belief that in this session we must, on behalf of all Canadians, reassert government leadership and direction over the economy by new methods of social planning. Failure to do this will be failure to come to grips with the cost of living, with family security and with our economic future. I say in conclusion, Mr. Speaker, it will be a failure not of the Canadian people or of Canada; it is the future of the Canadian people and of Canada that will be seriously affected by the failure of this parliament to act.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, first of all I wish to congratulate the mover and the seconder of the Address in Reply to the Speech from the Throne (Messrs. Stollery (Spadina) and Pelletier (Sherbrooke)) who, according to the custom, have had the privilege to open this debate and, I must admit, they have carried out this task with spirit. If the Speech from the Throne had as much substance as theirs, Mr. Speaker, I would probably make different comments.

I listened with surprise to the Prime Minister's speech that I qualify as a political speech. And the interventions from the Leader of the Official Opposition (Mr. Stanfield) will be forgotten because for a long time he has been repeating the same thing. All that he is saying is, in effect, that if he were in power he would do better than the Liberals.

As far as the NDP is concerned, their members are again boasting for making the government work as they wish. Mr. Speaker, in view of the present situation in Canada, I wonder if it is the interest of the New Democratic Party to brag about their friendship with the Liberals.

Mr. Speaker, my hon. colleagues and I have just returned from a tour of our own ridings as well as neighbouring ones in the province of Quebec. We have met people from every walks of life: industrialists, professionals, labourers, unemployed people and even people on welfare.

I suppose that some hon. colleagues from the other parties have made the same experience, that is, to return to the people to find out what they think in order to better express their feelings to the House of Commons.

Mr. Speaker, this experience proved very rewarding to us because it has shown us some of the good and bad aspects of a number of legislative measures.

● (1740)

Following that, we had meetings in order to pool our experience. We want to be unbiased in the House. I think too many members in the House are playing politics more or less honestly and that delays our progress.

Excellent measures are brought forward in the Speech from the Throne and I wish to congratulate the government. It was about time we began for instance to encourage people to keep their farm.

We are anxious to see the content of the bills. Mr. Speaker, as I said a while ago, we are going to assume, as during the first session, an unbiased and honest stand, and go through what is brought forward in order to improve if possible certain pieces of legislation.

Mr. Speaker, I believe it is my duty to state in the House the measures we do not like. After all, the Parliament of Canada is the place to say what goes wrong in our country, to try to improve conditions and solve problems.

Mr. Speaker, it is obvious that the rising cost of living is Canada's greatest problem. The cost of food, of clothing, of housing, of oil, everywhere we must face the gloomy picture of inflation. Prices increase and the individual's purchasing power cannot cope with that increase.

In Lotbinière and other ridings I have met people with fixed incomes and salaried people who are completely overcome by price increases and who cannot face those increases.

I would like to deal with those Canadians who are building our country and who are called medium or low income people. When they get their pay cheque on Friday as often stated by the leader of the Social Credit Party (Mr. Caouette), the stub of their cheque is longer than the cheque itself. The balance is then clearly inadequate to meet the increasing cost of living.

This problem is most serious and I am disappointed that the Speech from the Throne did not include or announce specific measures to help those people.

Mr. Speaker, when a father of two, three or five children with a fixed income of $100, $125 or even $150 a week walks into a shop, a grocery or drives into a gas station and must pay the same price as everyone, this is revolting.

This worker, with his purchasing power, gets fewer commodities for the same working hours. This is currently due to our way of thinking and an individual's income has always been based on the value of his work; he is paid a salary in proportion to it and he is told that with that money he will be able to meet his food, lodging and leisure requirements.

Even though the workers have today the same working potential as in 1971, they get about the same income but fewer commodities in return.

Now we are told that the quality of life in Canada is improving, that our goods are better, that their quality is excellent. Mr. Speaker, if the individual does not earn an adequate income to encourage him to continue to work, he is caught in a vicious circle, he becomes a second-class citizen and he then becomes dependent on a whole series of welfare measures which are extremely costly for all governments.

Mr. Speaker, the citizen is discouraged, because if he works hard, he does not earn enough to meet his obligations. In addition, this is more serious, as a result of inflation his money having less value, he gets less for his dollar.

Mr. Speaker, hence the many welfare measures bringing the individual under the control of the rotten Canadian bureaucracy. Finally, this individual becomes an entirely second-class citizen.

The Social Credit Party of Canada has long identified with the consumers; for quite some time, we have been telling the government that there should be measures to help the consumers directly, not necessarily by controlling prices, but by protecting the consumer against abuses and specifically by helping him buy products.

Compensated discount is a measure which, while not controlling prices, restrains them by helping consumers buy something that their purchasing power no longer allows them to buy. Members of this House find it funny when we mention compensated discount because it is a Social Credit measure. When we ask for direct help for the consumer through an increase in his purchasing power, some members of this House find it funny and say that we should not help the consumers. And now because this has become a major problem, everyone is talking about a guaranteed annual income, and even those who used to laugh at the Social Credit are talking about it; there are even some tests going on in the present system.

Mr. Speaker, the meetings that we have had in our constituencies confirm entirely the statements contained in some newspaper clippings. I would simply like to read you the titles of a few articles. I invite my colleagues who laugh at the Social Credit Party to listen to these titles taken from newspapers that are basically defending their system and to see if all goes well with their system about which we must not laugh and which we must certainly not attack.

Here is an article from the December 18, 1973 issue of *La Tribune*:

THE PRICE OF CLOTHING WILL GO UP

Good news for everybody! Another publication gives the profits of oil companies for 1973: British Petroleum made $135 million; Exxon (Esso), $638 million; Gulf, $210 million; Mobil, $231 million; Shell, $413 million; Texaco, $307 million.

● (1750)

Those are the profits of the petroleum companies. I shall say more about this later.

I have here an article published in the magazine *Actualité* and entitled "Where will shortages and inflation strike in 1974?" It tells a sadistic tale of increasing prices to prove that nothing has gone up.

I also have here an editorial from *La Tribune* entitled "The Year of Frustrated Hopes". Another newspaper entitles an article on housing and higher prices "Ottawa agrees with all provinces save Quebec". The newspaper *Le Nouvelliste* carries the heading "Violent Sally of Liberal Member for Longueuil in House of Commons—Petroleum Companies Can Even Have Government Change—Olivier". In *La Presse* I read this "Bread—4 cent Increase"

Everything is just fine, Mr. Speaker, in the Liberal and Progressive Conservative system. Who is responsible for the petroleum crisis? The producing countries or the great multinational companies?

I have here another article which gives the consumer price index based on Statistics Canada data. I quote:

The consumer price index reached 155.5 in November 1973, that is 9.3 per cent more than 1972. Food prices went up 18.2 per cent. This graph shows the rise in consumer price index, based on 1961 prices from 1941 to November 1973.

And then we are told, Mr. Speaker, that all's well in the best of worlds.

Another newspaper reports the following, and I quote:

Sugar—another high increase item.

And on the same page:

The oil increase will cause the price of . . . vegetables to rise.

I have here another article and I will just quote its heading:

22% increase in housing.

Here, analyses are made on consumption.

Here is another article from *Le Nouvelliste* which will surprise many people. I am sure that no one suspected that and I quote:

Oil firms subscribed $49 million to Nixon's campaign.

In *La Tribune* of January 2, 1974, there is an article headed "Oil: Quebec disadvantaged". In the December 24, 1973 issue of the same paper, one can read the following heading: "Inflation and unemployment cast their shadows over expectations for Canadian economy."

In the same newspaper of December 20, 1973, we read that:

Although the average salary has been increased by $12.08 from October 1972 to October 1973, it was not compatible with the 9.3 per cent rise in the cost of living for the same period.

This, Mr. Speaker, proves what I have just stated. And to add to the picture, *La Presse* of February 16, 1974, informs us that we have now 240,000 unemployed people in the province of Quebec—9.5 per cent.

In that respect, here is the conclusion reached by the right hon. Prime Minister and offered as a Christmas gift. I quote a headline of the December 23, 1973 issue of *La Tribune* ". . . It is a distress sign of the Earth . . . ". These are the now famous words of the right hon. Prime Minister about the oil crises. "A distress sign of the Earth". It is self-explanatory. No solution, just a statement. But in the meantime, Mr. Speaker, this does not prevent the oil companies from making profits. Our Food Prices Review Board, under the presidence of Mrs. Plumptre who is overpaid at $40,000 a year, establishes simply that prices increase and cannot do anything about it.

Mr. Speaker, people in our ridings do not tolerate this anymore. We were told to fight in this House to convince the government that powers be given to the board, that measures be taken to prevent abuses and to end the exploitation of those who cannot afford such a critical inflation which is out of control.

I want to attract the attention of the right hon. Prime Minister who honours us with his presence to remind him that the individual's purchasing power is a most important issue. As I was reading the speech terminating the last session, I noticed in fact that the Prime Minister believed "that the productive capacity of the economy had reached its physical limits in Canada", in other words, that production was at a maximum level.

Also, the right hon. Prime Minister cannot ignore that Canadians from coast to coast are totally excluded from the economic flow, and because of their lack of income are unable to keep up with these cost-of-living increases.

Mr. Speaker, the right hon. Prime Minister will also recongize that for the last 10 years at least, successive government measures have all been directed towards production growth. They invested in production through the Department of Regional Economic Expansion and the Industrial Development Bank. It has been announced in the Speech from the Throne that a new federal bank will be established. I do not want to judge the value of these programs, but I simply want to enumerate them to suggest to the government that large amounts were invested in production but that not much has been done yet as regards consumers, Mr. Speaker. A few efforts were made, such as the old age security pension, family allowances, but when the latter are granted, Mr. Speaker, they are taxable so that the purchasing power at the end of the year does not increase. They even made some calculations and, in some cases, they will give people, through family allowances, less money than before. Why? Because they are taxed.

Mr. Speaker, the Canadian people want to build their country. Five years ago, for instance, when we passed in this chamber some measures designed to discourage agriculture by imposing controls and quotas on production because there was a surplus, the problem, consequently, did not lie in production at that time, Mr. Speaker, but in the distribution of products. There are people who are exploiting and abusing our wealth, Mr. Speaker—and I say so while I strongly believe, as my colleagues, in private enterprise—who take advantage of the situation and who exploit people and who, therefore, make us believe that there is in Canada a shortage of products, which is not true. Everybody must admit that there is no shortage of products in Canada. We have enough oil. We have enough wheat. We have enough milk producers. We have enough cheese. We have adequate supplies of almost all commodities that we need in order to secure a good quality of life. What we need, Mr. Speaker, is a distribution system that would be equitable and fair for all Canadians.

When I am told that there is concern about that problem I will have to part with those people and discuss very strongly because that is untrue. For example, there is talk about the oil policy at a time when supply is very high. It will have taken a crisis, it will have taken hand-outs from the government to oil companies for them not to increase their prices, it will have taken an extraordinary crisis to realize that we have resources in the west but, on the other hand, that there was a shortage of products so that we have high prices for those products. Who pays for that, Mr. Speaker? The people.

In Canada we have what is needed and because we did not foresee the use of those resources we ended up with one policy and two sets of weights; in other words, Quebecers are now paying more for oil than all other Canadians. Is that fair? The problem is in the distribution of that resource that is oil and that distribution should be thought out by the government so that all Canadians wherever they live will be treated on an equal basis. Such is not the case now and Quebecers among others and the rest of this country are paying for that policy.

Let us take, for example, wheat which was controlled. There was a time when producers were even paid not to sow, not to produce. We have now been told that there is an alleged shortage of products. That finally results in high prices. Who pays for that policy? Again the other part of this country because we did not set up any distribution system so Canadians would actually be treated on an equal basis.

In other areas it is the opposite; the west is charged higher prices than Quebec and that, Mr. Speaker, is also not acceptable. We Social Crediters say that the problem is not in the production. The needs are there. Nor is the problem in the consumption. People are not crazy, they can select the quality of product they want. The problem lies in a sound distribution of these products, of this wealth across our country. Secondly the difficulty is to have a sufficient purchasing power to buy these products in order to meet our needs.

Mr. Speaker, this is briefly how I see the present situation and those people who are most affected by it. I repeat, and I will never repeat it enough as long as I feel that this message is not understood, the ceiling is for those people in the low and middle income brackets.

Mr. Speaker, the problem lies in the distribution of wealth and as long as we will not really tackle this problem by setting up effective organisms rather than puppet organisms of control like the Canadian Wheat Board, for instance, which makes prices increase, controls production and forces the Quebec people or other Canadians to deprive themselves, things will get worse and worse.

Mr. Speaker, like my leader, the hon. member for Témiscamingue, like the right hon. Prime Minister, we believe in Canada that Canadians can build the country; we believe Canada is a very large country in the world—you just have to travel to see it—in spite of its very low population. At the same time, we see nothing wrong with the unemployed, Mr. Speaker, with people who live on welfare, with an alleged scarceness of products which is an excuse for their high cost. At the same time, workers pay enormous taxes to support people who would like to be productive but who are not given this opportunity. I think the situation is too serious to let it deteriorate further.

I think the second session give us a marvellous opportunity to grapple with this problem outside the political tracks.

Mr. Speaker, even if the Progressive Conservatives told me they were going to do better than Liberals, I would not believe it. They were already in power and they did nothing better. Even if the Social Crediters were there it remains to be proved that they would do any better. I think it is time to be honest in this House. Even if the Liberals told me that things are going well in this country that people enjoy a nice living and security I would also say it is false. Mr. Speaker, you just have to go with people. Even if the New Democratic Party members told us the same thing, it would be false.

I think there is some good in every party. If we were to be honest there would be good ideas to pick up on both sides of this House, we should adopt some ideas of the Social Crediters. Since we speak about product distribution, we find that strange. Mr. Speaker, I should be ready to go anywhere in Canada to support this principle because now everybody feels in his wallet the effect of the distribution problem and the dissatisfaction that occurred.

I should like to ask a little favour of this House, Mr. Speaker. I see it is six o'clock and if I had two or three minutes more I could finish my remarks.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

• (1800)

Mr. Speaker: The House agrees.

Mr. Fortin: Mr. Speaker, I wanted to concentrate my comments on that matter because in our opinion it is a great problem in Canada, a problem which requires a global solution.

I think that the right hon. Prime Minister (Mr. Trudeau) would have the support of all parties in the House if he could conceive with the co-operation of all members a fair and just distribution system of our resources for all areas in Canada.

Mr. Speaker, we are here to work hard, we want to be effective and objective, and we say to the government that we are ready to co-operate, that we are ready to work very hard to support it or any policy aimed at solving the resource distribution problem, so that we could be proud to be a Canadian, from British Columbia or from Quebec, in order that the measure could be the same everywhere in Canada, also in order that every Canadian could take advantage of our fantastic resources. To that extent, we are willing to co-operate. But if they refuse to support that position, we will protect the people who have no income. Then, Mr. Speaker, we will have to withdraw our support to the government.

With such an honest position and to prove to the government that we are serious, in conclusion I would like to move, seconded by the hon. member for Bellechasse (Mr. Lambert), the following sub-amendment:

That the period be replaced by a comma and the following words added:

"particularly for not having taken effective and immediate measures to stop the increase in the cost of living which seriously affects persons on low and medium incomes."

Mr. Speaker, I am proud to move that motion because I know that it reflects the views of the great majority of Canadians who are only too willing to build their country and expect to be encouraged, stimulated and supported by their government and our party.

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

[*English*]

At 6.04 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, last spring I spoke in this House putting forth the voice of the new west. I want to return to that theme tonight as I consider the real meaning of the energy crisis for mankind today.

First may I offer the sincere congratulations of the people of Edmonton-Strathcona to our new Governor General and to wish His Excellency and Madame Léger health and happiness as they begin their arduous travels across

the land representing Her Majesty, Queen Elizabeth. They will be following the illustrious tradition of dedicated service this country received from that stimulating and widely acclaimed couple, Mr. and Mrs. Roland Michener.

[*Translation*]

Mr. Speaker, I would like to tell you once more my appreciation for the admirable way in which you and your officials have steered the debates of this assembly in a parliamentary context which is all but calm.

I also congratulate the mover (Mr. Stollery) and the seconder (Mr. Pelletier (Sherbrooke)) of the Address in Reply to the Speech from the Throne and more particularly the hon. member for Sherbrooke who has displayed such a fine understanding of Canada's responsibilities towards the international community.

Speeches like the one delivered by the hon. member for Sherbrooke restore my faith in the willingness of members of all parties and from all regions of the country to co-operate for the common good of our society.

[*English*]

But, Mr. Speaker, I do not want this praise to go to the government's head, for the gap between what the hon. member for Sherbrooke (Mr. Pelletier) was talking about and the program of the government as outlined in the throne speech is so wide that they might as well be in different worlds.

The throne speech gives only lip service to the vigorous steps that must be taken to "reduce disparities" between the rich and poor nations. It gives only a superficial glance at the reasons for these disparities, which are the central issue in the world today. The government rather contents itself with enlarging its own bureaucracy, seen in the creation of at least four new national bodies, as the supposed solution to the problems of our times.

The people for whom I speak certainly want our domestic problems of high inflation and high taxation solved, but we look beyond our own special interests and borders into the larger scene of our whole country and, indeed, the world. In Edmonton-Strathcona we want two specific advances that will bring about a more secure Canada: first, the use of arbitration to replace strikes in labour disputes involving essential services should be made compulsory; and second, the government should promote the formation in each province of an advisory council on technology, with representation from business, labour and the professions, to ensure that technological benefits are received by all mankind.

These are two steps that will help the west and all of Canada to develop in a way that contributes to economic and social stability. We want the economic discrimination against the west to stop so that the west can develop and play a stronger role for the good of Canada. That is the spirit of the new west that I represent.

We want to participate in the development of a modern Canada in which decentralized decision making restores the vitality of all our diverse regions. It is through the application of genuine decentralization, in the constitutional division of powers, the spreading out of federal government departments, and better intergovernmental relations, that the country can be pulled back from over-dependency on federal government programs. What we want in the new west is the chance for all Canadians to develop their opportunities.

It is time to bury the canard that the west, and particularly Alberta, is alienated from the rest of Canada. Nothing could be farther from the truth. It is time for the Prime Minister (Mr. Trudeau) to stop promoting the alleged opposition of Alberta to the national interest. Nothing could be farther from the truth. It is time to cease the slander that western members of parliament have come here to obstruct parliament and not share in the creation of a better society. Again nothing could be further from the truth.

No, the west is not alienated from Ottawa, parliament, the Liberal party or even the person of the Prime Minister. What the west is alienated from is this government that has demonstrated it is hopelessly incapable of managing the economy. We are alienated from a government that has thrown hundreds of thousands of Canadians out of work and savaged us through inflation. We are alienated from a government that relies on massive social spending which is keeping tax levels excessively high.

There is a modern spirit in the new west that rises above pettiness, that refuses to be diverted from the great problems and potential of the times we live in. We are not looking for easy answers; rather, we want to share in formulating the right questions. For in looking beyond short-term and narrow interests we can identify three principal issues responsible for escalating international tensions today: resource exploitation, population and terrorism.

This winter's energy crisis has triggered great questions, for suddenly the experience of a limited oil shortage brought home to north Americans and west Europeans the previously unimaginable possibility that our way of life might not be indefinitely sustainable. Economists and ecologists have been telling us for years that our resources are limited; but as long as the heating oil arrived, the gas pumps flowed and the electrical gadgets hummed, no one took them very seriously. Now we know that we are vulnerable to the turning of a spigot. The jolt we have sustained is a blessing in disguise, because it is refocussing our minds on a new necessity: survival without abundance.

● (2010)

The ideas of progress, creative growth, expansion, surpluses, inexhaustible resources, have been synonomous with the development of western man since the industrial revolution. Science and technology have been the driving forces behind us. This is true no matter whether people live under a capitalist or a socialist system of government.

Industrial civilization is predicted on expansion. When our economy is not growing, we are in trouble. Growth has thus become an end in itself. Bigger is better. More and more harnessing of inanimate physical energy through the application of science to technology enables the economy to grow and the gross national product to accelerate at 7 per cent a year. And all of this is the hallmark of a successful society. Or is it?

How do we account for the barrage of confidence-shaking events that have filled us with a sense of unease and foreboding during the past decade? The Viet Nam war was

only one of many such events. The explosion of street crime, race riots, bombings, bizarre aeroplane hijackings, shocking assassinations, government intrigue at the highest levels, have brought home with terrible impact the recognition of a barbarism hidden behind the amenities of life. How do we account for the failure of the present middle aged generation to pass its norms and values along to its children? The ubiquitous use of drugs, the extreme sexual relation, the unprecedented phenomenon of "dropping out," especially among the children of the most successful classes, all have added their freight of disquiet and disconcert to the mood of our time.

Nor should we adopt a superior attitude in Canada because we have been spared so far the extremes of reactions to the age of discontinuity. If material progress and the quantity of life are the source of happiness, why is it that five million Canadians still live below the poverty line? Why have crimes of violence doubled in the past decade? Why are so many resorting to alcohol and other drugs to help them contend with the challenges of existence? Why are we becoming unbalanced as a country, millions congesting in a few metropolitan areas while vast regions suffer population decline?

Today we find a growing number of observers attributing this disorientation to a regression of ethical values directly traceable to the voracious demands of industrial expansion. Progress has been simplistically graphed and calculated in terms of ever escalating numbers. Capital gains have to be turned back into the system to create further growth, as though the cycle could never end.

In such a thought pattern, human cogs could easily become labour input and eventually secondary beneficiaries of progress. The health of the economic system, demanding unlimited growth, achieved top priority in government planning. It has been assumed that people would accommodate themselves to the system and prosper, and that those who could not, those who became casualties, would be taken care of by remedial social legislation. The value of man for his own sake has been sublimated by the value of man as an instrument of progress.

In this mockery of values, the life of greed has become a virtue. As Arnold Toynbee tells us:

> Modern man has been induced to overcome traditional scruples about giving freer rein to human greed by a doctrine that has made greed look respectable.

For it has been argued that the selfish pursuit of individual, sectional or national economic advantage is socially beneficial. The unleashing of greed, of acquisition and affluence for their own sake, has been the psychological driving force behind the modern way of life in the technologically developed countries.

It is this ethic of growth by exploitation that has rendered the designation "Third World" a misnomer. There is now only a first and second world—the first world of the rich and the second world of the poor, and the gap between them is widening. In all the contradictions of our time, none is more difficult to grasp than the fact that technology has made it possible for the world to become a global community—which is good—and that within the community the preferred position of the minority enjoying most of the resources and wealth is producing anger, terrorism and revolutions—which is bad.

The argument that a civilization directed to material improvements is unable to satisfy the human spirit has been regarded as some kind of poetry. Pleas for social justice, domestically and internationally, have attracted but a handful of adherents. Statements that the quantity of life syndrome should be replaced by a quality of life ethic have been put off as philosophies to be approached gradually. The business of the day, politics as usual, must go on because, after all, growth is the standard and band-aids are the remedy for breakdowns.

Now, however, thanks to the energy crisis we have suddenly come up against a hitherto inconceivable prospect: maybe unlimited industrial production and economic expansion will have to come to an end. Maybe the rich of the world have over reached themselves. Maybe a whole new assessment of how we live will have to be made, and made exactly.

It is no longer an intellectual, philosophical or religious exercise to consider the role of man on planet earth; it is a hard headed, pragmatic necessity because human survival is at stake. The Arabs have done us the favour of forcing us back to the age old question: Who is man and what is his future?

We can get an overview of the human predicament by examining, first, resources. The availability of resources is necessary to sustain industrial output. In the developed world, industrial output, growing at 7 per cent a year, doubles in a decade. If we project this growth rate for another 50 years, the demand for resources will have doubled five times, requiring a volume of resource extraction 32 times larger than today's. Looking ahead over the ten doublings of a century, the amount of annual resources requirements will have increased over a thousand times.

Closer to home and more comprehensible perhaps is the simple fact that Canadians today consume energy at a rate approaching five times the global per capita average, or some 47 times the Indian per capita average—the result of a high standard of living, large scale resource extraction, a rigorous climate and the great size of the country. Whatever the next century brings, over the next 35 years the world will consume more metals and more energy since the dawn of human history; the energy mix and the rate of growth of consumption have already been determined. We in the western world have irresponsibly and immorally demanded the lion's share of the world's resources, and I see no sign of this thirst slackening. It is not solutions to local shortages this winter and next that should preoccupy us but long range planning, since present growth cannot be sustained indefinitely.

Second, we should examine population. The conditions of exponential growth are especially observable in population. Barring some global holocaust, world population now appears certain to exceed six billion by the year 2000. It could reach 7.4 billion if the trends in growth established since world war II were to continue unmodified until that time. Even with population control programs it is difficult to visualize human numbers levelling off until well into the next century, because almost 40 per cent of the world's population today is under 15 years of age. Thus the potential for births is very high. It is now generally anticipated that at least 800 million people will be added to the world population in the coming ten years. Moreover, the present

ratio of 30 to 70 between the population of the rich and poor nations will swing inexorably to 10 to 90.

The continuation of such growth constitutes what many now consider to be the overwhelming threat to the future wellbeing of man. What are the consequences of adding 75 million to the earth's numbers this year—of populating the equivalent of the United States in three years, or of populating another China in less than a decade? And, of course, the impact of population growth is intensified by the rising expectations of all men, rich and poor, and the desire of every nation to expand its industrial base. Urbanization compounds the population problem. The one billion urban dwellers of 1960 will become three billion by the year 2000, requiring the equivalent of building 70 new cities yearly, each housing one million people.

Any commodity in over abundance tends to lose its value, and the brutal fact is that people have become a commodity. Because we have disregarded the elementary, universal quality of human dignity, hundreds of millions today live in abject poverty, are illiterate, are ravaged by disease and are chronically malnourished. Their lives have a bleakness and hopelessness difficult for us to comprehend. What worth is the individual in such circumstances? How valuable is the human person? The current famine in the southern Sahara has produced a tragic comment on technological man: the undernourished children of a tribe in Chad were too weak to resist an outbreak of diptheria. None the less the tribe elders pleaded with UN officials not to send drugs. Starvation, they said, would be too slow a death; let diptheria rage.

● (2020)

The impoverishment of the human spirit and the cheapening of human life have profound consequences now that technology gives man the technical power to shape his own future. It is a myth to believe that the problems of under development will be solved simply through the implementation of birth control programs, although I believe that acceptable ways of stabilizing world population must be found. Birth control measures are too often mistaken for true family planning. I believe that the mentality which we have in the western world, which favours reducing the number of people in the world so that we will not have to reduce our share of the world's goods, is the wrong mentality.

Sharing what the world community possesses is a prerequisite to stability. Before introducing massive birth control programs into the various countries of the world, considerable investment is needed in the key sectors which determine economic growth. Giving priority to the population problem, over and above the economic and social one, means we are bound to fail.

It strains credibility to suggest that the interlocking problems of population growth, urbanization and energy demands will not lead to extreme social disorder. Greater shortages of basic goods, including food, deeper poverty and more environmental damage are ahead. Is it possible that we, in our affluence, can blithely consign millions more people to a human state comparable to the worst regions of India or Pakistan without sowing the seeds of massive revolutions? At the very least we can expect the rise of authoritarian governments whose demands for social changes will not stop with family limitation.

Today the political winds blowing across Latin America are nationalist and authoritarian. Right-wing military dictatorships hold power in Brazil, Chile, Bolivia and Uruguay. Argentina is experiencing a neo-Peronist threat to freedom. The political and military strife we now see within and between nations will escalate as the universal social-economic situation deteriorates.

Third, warfare. The good work of the United Nations notwithstanding, there is not the slightest reason to hope that we can escape mounting terrorism, revolutions and international warfare if we continue on our present path. Sheer desperation will drive individuals, bands of terrorists and nations to fight for survival. Nothing is more basic in human nature. The picture of two men fighting over the last gallon of gas in a Florida service station is but an amusing reflection of the spectre of inevitable wars of redistribution. When to this age old manner of deciding who gets the spoils is added the modern factor of nuclear weapons, the prospect is grim.

Even small nations, or groups within nations, possessing no fully developed industrial base can gain possession of nuclear weapons. They will be a by-product of atomic power plants that will soon be common around the world. These warheads will not require complicated delivery systems but can be easily smuggled into enemy harbours or cities.

If a band of desperadoes in California can kidnap the Hearst heiress and demand massive food distribution to the poor as ransom, it does not require much conjecture to envision the developed world being blackmailed by nuclear terrorism, even by small groups, demanding the transfer of large amounts of wealth to the poverty stricken world. Our world pattern is undeniably producing terrorism. Airplanes and airports, even in this country, are not safe today without the tightest security. Why should we regard whole cities as any safer? What have terrorists got to lose?

I am not purposely trying to paint a grim picture of humanity in the days ahead just for its shock value. Rather I am trying to show that the energy crisis of the past few months is but the tip of an iceberg whose dimensions and power can now be charted. Put as plainly as possible, industrial man has constructed this mammoth iceberg which threatens to capsize us. We may think our accomplishments are magnificent, but the truth is that never in the history of the world have the times been so dangerous.

Of course, it would be folly to think that we are helpless. For population growth, war, environmental damage and the use of technology are all social problems originating in human attitudes and capable of solution by alteration of our behavior. Thus, says Robert Heilbroner, in an analysis he calls "The Human Prospect":

> —whether we are unable to sustain growth or unable to tolerate it, there can be no doubt that a radically different future beckons. In either eventuality, it seems beyond dispute that the present orientation of society must change.

Well, now, what is to be done? Without backing away from the bleak picture I have sketched, I reject any implication that all these complications amount to a death

sentence on mankind. Neither do I wish to offer any bromides. There is a way out if we apply our knowledge and willpower. That, of course, is a very large "if".

It is certainly the job of politics, religion, philosophy and the academic world to animate us. I do not think any of us alone can do the job, the scope of which is totally unprecedented. I believe there is absolutely no hope if politics remains devoid of spiritual principles as a priority, and religion remains aloof from deep involvement in the human condition.

We must not think that we are struggling here alone in the darkness. Great minds are at work on the problems before us. But solutions in the practical order will be possible only when we have recovered the direction of man who lost his way long before the age of future shock.

Twenty years ago Walter Lippmann pointed us in the direction of a truly human society with his call for the revival of a "public philosophy." In a public philosophy the highest laws are those upon which all rational men of goodwill, when fully informed, will tend to agree. All men, governors and governed, are always under, never above, these laws which can be developed and refined by rational discussion.

The revival of the public philosophy—

Lippmann says

—depends on whether its principles and precepts, which were articulated before the industrial revolution, before the era of rapid techological change, and before the rise of the mass democracies—depends on whether this old philosophy can be reworked for the modern age. If this cannot be done, then the free and democratic nations face the totalitarian challenge without a public philosophy which free men believe in and cherish, with no public faith beyond a mere official agnosticism, neutrality and indifference. There is not much doubt how the struggle is likely to end if it lies between those who, believing, care very much—and those who, lacking belief, cannot care very much.

To give a vivid projection of Lippmann's public philosophy we can look at our environmental dilemma as but a symptom of the much deeper problem facing us. No one decided to dehumanize life with crowding, traffic jams, noise and squalor. No one decided that air pollution and dying waterways should be the price of unlimited growth. No one decided these things, but neither were they accidents. They are what we have done because we have assumed, unconsciously, that we had the right, indeed the obligation, to do them. But now we are forced to change our thinking from plunderers to stewards.

How, then, does Canada fit into this global perspective? As Maurice Strong observed at a recent meeting of the Canadian Club in Ottawa, the question is going to be raised as to the rights of 22 million people to a substantial fraction of the world's land area, fresh water, agricultural and fish resources, and mineral wealth. Although we may regard our natural resources as an heritage to be dispensed and utilized at our pleasure, other less fortunate members of our global society may tend to view us as custodians of natural wealth to be shared more generally for the good of men.

With the broader and more rapid dissemination of information around the world they are going to expect more from us. The present rate of population growth, as I have indicated, really means that in the next few years production and growth rates will have to increase by factors of 10 to 15.

Given the environmental disruption, the increased economic and energy costs, and the mineral finding rates that this implies, such massive development hardly seems likely on a time scale of three or four decades. In other words, the tremendous gap that exists today between the rich and the poor, between the developed and the under developed, does not seem likely to become very much smaller in the year 2000. Rather, given the present course of events, it seems that there will be greater shortages, deeper poverty, and more environmental damage than society experiences today. The have-nots in world society will not tolerate such conditions.

Canadians will not, however, simply be facing difficult situations of external origin. Failure to look beyond the immediate future can lead to internal problems of a vexing nature. Once again the energy situation provides us with a good example. Even though we like to think we are going to become self-sufficient from the production of oil in western Canada, if our present growth rate persists, then in the 1980's we will still be suffering a deficiency in oil production, given the methods that are now being used.

Three variables bear on the extent to which the supply short-fall will develop over the coming decade: the finding rate for conventional oil in western Canada; the rate of oil export to the United States; and the extent to which the rate of growth in domestic demand can be modified. These are not perfectly clear.

Whether or not Canada subsequently re-establishes its net self-sufficiency in oil depends upon the rate at which the Alberta oilsands are developed beyond 1985; it depends upon the future availability of oil from frontier regions; and, most important, in the final analysis it depends upon the degree to which Canada views this as a desirable goal.

Such problems of national concern, of which future oil supply is but one example, will require for their handling a spirit of co-operation between the provinces and the federal government, which spirit is at present lacking. Lengthy debates over short-term interests and problems are not conducive to attacking the longer term difficulties which we face. Moreover, I suspect that the bickering exhibited by officials and politicians at the international and the national level over frequently inconsequential issues tends to promote feelings of cynicism and demoralization amongst the general public.

● (2030)

There seem, then, to be several factors mitigating against our chances of anticipating and successfully overcoming the fundamental and rapidly worsening problems of world society. One is the unwillingness of both government and individuals to look beyond immediate term interests. Another is the feeling of cynicism or perhaps helplessness engendered in the individual in witnessing the failure of man's institutions to deal with the complex social problems of today. The individual tends to be overwhelmed by, or indifferent to, problems which seem completely beyond his capability of either understanding or solving.

It is, then, to a considerable extent the responsibility of government and parliament to overcome this indifference

and to provide strong leadership in anticipating and, most importantly, educating people about the fundamental issues facing society today. Feelings of provincialism or nationalism, although useful to some degree, must ultimately be submerged in a concern for the broader affairs of society. For, after all, there is little that happens in the world today which is not reflected more generally throughout society. If humanitarian reasons alone do not prompt us to feel concern, there are very good pragmatic reasons for not ignoring the immense problems facing society today.

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, in speaking on the Address in Reply to the Speech from the Throne, I would like to record my personal congratulations to the mover (Mr. Stollery) and the seconder (Mr. Pelletier (Sherbrooke) of the motion. The hon. member for Spadina (Mr. Stollery) has that rare ability to be able to introduce humour into his speech to emphasize the point he is making and to hold the attention of his audience. The hon. member for Sherbrooke (Mr. Pelletier) included in his remarks an illuminating reference to the poverty that exists in the world today, not forgetting the poor people in Canada. May I underline his statement that it is imperative that Canadians as a nation give particular attention to poorer and less fortunate countries.

I would also like to add my congratulations to our new Governor General and wish him an enjoyable and rewarding term in office. His Excellency, Governor General Jules Léger, spent his youth and was educated, as was his brother, His Eminence Cardinal Paul Emile Léger, at St-Polycarpe, in the county of Vaudreuil, the county I have the honour to represent.

Many noted persons in public life have come from the county of Vaudreuil, a county named after the Marquis de Vaudreuil, who left his mark on the city of Montreal at the beginning of the 18th century. A former and very competent Speaker of this House, the Honourable L. René Beaudoin, represented the county for 12 years.

However, we are especially proud that a former Prime Minister of Canada, the Right Honourable Sir Wilfrid Laurier, the second Liberal Prime Minister since confereration and our first Prime Minister born in the province of Quebec, was the member from the county of Soulanges, which now forms a part of the much larger county of Vaudreuil.

Last year the town of Vaudreuil celebrated its bicentennial. Canada may be a relatively young country but in counties such as that which I represent there is a wealth of history of which we can be very proud.

I want to discuss today my thoughts on the Speech from the Throne. The intention to expand employment opportunities and to increase employment through providing workers with improved access to available jobs is particularly necessary today when there are such great regional disparities that show some areas of the country with effectively zero unemployment whilst other regions have serious unemployment problems. Not only must there be a greater effort to match the unemployed to the available jobs but a substantially larger program must be introduced to provide the unemployed with the skills necessary to fill the available positions.

[Mr. Roche.]

Particularly in the lower age bracket where youth have already spent some time as a part of the labour force, the opportunity must be offered them to acquire the skills necessary to give them permanent and more productive employment. Training-on-the-job programs should be expanded to include classroom instruction and controlled courses in industry and commerce. These courses would last from one to two years and a participant would be required to show adequate progress at predetermined intervals.

Greater use should be encouraged of the program that pays the transfer costs to transport an unemployed person to a job opportunity in another area. For the unemployed that are past middle age, legislation must effectively eliminate discrimination. I will come to this point again when I discuss human rights.

I am particularly pleased to see that there will be amendments to the Unemployment Insurance Act. I personnally believe that a benefit limit of $100 per week should be reimposed and the qualification period should be lengthened. There should be greater encouragement, through revised tax measures, to take temporary or part time employment and at the same time much stiffer penalties to encourage full declaration of part time earnings.

I am most pleased that this session will see amendments to the Bank Act. The Canadian banking system is substantially non-competitive and is run from Bay Street. This statement will bring vehement denials from our chartered banks but almost 100 per cent agreement from the banks' customers. The opportunity for provincial participation will bring greater consideration of regional needs. Increased competition in the banking industry is an absolute necessity if the present antiquated and uneconomical practices are to be eliminated.

In a related area, I note that proposals will be made to ensure Canadian control of the computer communications field. The private citizen is and should be genuinely afraid that the fantastic, and certainly beneficial, advances in computer technology can leave him exposed and uprotected. There is no doubt in my mind that insufficient attention has been paid to the provision of an adequate number of trained personnel to handle the computer hardware and software being sold and leased today.

We live in a world where many of us are unaware that changes are inadvertently being made to our accounts kept on computer records. Persons remitting mortgage payments are blissfully ignorant of untraceable errors that can leave them still owing large sums at the completion of the time period at which they believe their mortgage would be paid off. As one man said to me last week, "I took it for granted the computer did not make errors". When he, in casual conversation with his bank manager, discovered an error in his account, he naturally wondered for how long there could have been similar errors.

We must ensure that easily erasable records, as has been amply demonstrated south of the border, should be duplicated and also printed out in permanent format before changes, corrections and erasures, intentional or otherwise, can be made.

Whilst on the subject of computer records, it is essential that tough legislation be introduced to protect the privacy

of the individual. No information that can in any way be considered detrimental to an individual should be communicated to a third party without the prior knowledge of the individual concerned. Information, even though itself accurate, can, because it is incomplete, be at the very least misleading. Everyone must have the automatic right to correct or explain credit and character records.

Canadian control of the computer communications field should receive all party support. Similarly no member is likely to argue against the requirement that boards of directors of foreign controlled companies should be 51 per cent Canadian. Not one multinational or foreign controlled company executive to whom I have spoken has argued against such a regulation.

However, these gentlemen have unanimously rejected, as have executives from wholely Canadian companies, the provision that employees be excluded from the listing of the 51 per cent Canadian content of a board. This is a distinctly anti-Canadian provision that will accelerate the brain drain to the United States whilst serving no useful purpose whatsoever in this country.

● (2040)

I am pleased to see included in the throne speech the provision that additional measures will be proposed to aid small business. Also to be underlined is that steps will be taken to obtain greater returns from industrial research and development as well as technological innovation in Canada.

In the pharmaceutical industry, for example, we must face the issue of whether, in our desire to press for the lowest cost drug of an acceptable quality, we are prepared to write off the Canadian industry. If many provinces follow the example of Manitoba we could become an importer of the major part of our drug requirements.

In the field of agricultural research we must redirect our thinking and give greater concentration to research that will aid and encourage our youth at the university level. These young people will be the backbone of our future agricultural development.

It is imperative that there be greater encouragement to our inventors and scientists, and patent legislation must reflect our wish to see ample reward for new ideas.

In noting that legislation will be introduced to create a federal commission on human rights and interests, I want to refer to an earlier remark I made concerning employment of middle aged persons. We must include in any such legislation provisions that will prevent discrimination on the basis of age. Thus no employee should be excluded from a position because of a restrictive pension plan. It is completely contrary to our concept of fairness that a competent prospective employee should be barred, because he is over 50 and the company has a compulsory pension plan, which he would be unable to join.

Furthermore, the government should consider methods by which pensions can be made portable from plan to plan in order, also to protect the older members of the work force. In this respect it is, in my opinion, highly immoral that an employee should lose moneys contributed by a company on his behalf to a pension plan if that employee resigns or is fired before he has a vested interest in the plan.

It is equally unjust that a prospective employee who has passed all other qualifying tests should be refused employment because a doctor's examination shows that he does not meet the requirements of the company's medical plan. I am ready to accept that special positions require a certain level of fitness—air line pilots, for example. However, to exclude a capable person from a sedentary position in a financial institution because of a minor physical defect is grossly unfair. Such discrimination must be prevented by legislation.

It is commendable that the provision of adequate shelter at reasonable prices is mentioned in the Speech from the Throne. In this connection there are two points I want to make. At the present time our domestic building material manufacturers are protesting their export markets even though there is a critical shortage of certain building materials in Canada. The supply houses are repurchasing these same materials in the United States and bringing them back to the domestic market. This practice is not only wasteful but is obviously inflating prices at a time when price increases are a cause for serious concern.

I also want to suggest that the human rights legislation referred to earlier should include provisions to free the individual from the restrictive practices of unions in the field of apprenticeship training. Union control of the number of trainees has created labour shortages in several trades in the construction industry that are adding unnecessarily to the cost of housing. Union legislation may be under provincial jurisdiction, but human rights are a federal responsibility.

I should like to make brief reference at this time to the conduct of business both in this House and in the various committees. One of the unfortunate aspects of our media coverage is the emphasis on the question period. The press gallery is then full. For the debates that follow there remains only the "on duty" press representative who may not be greatly interested and, in all honesty, is not likely to find too much to interest him. Similarly in committee, press coverage is spotty at best. This tends to give the country a somewhat unrealistic view of the work of the members. Undoubtedly our own conduct is a contributing factor.

I am inclined to agree with the member for Bellechasse (Mr. Lambert) that the preoccupation of members should be less directed towards the next election and more towards the passage of legislation beneficial for the country. Incidentally, I mention the county of Bellechasse, even though it is represented by an opposition member, as it is the county of birth of my wife's mother.

However, returning to the subject of House business, I sincerely hope that changes to our rules will help to eliminate wasted time. There is certainly a monumental task facing us and maximum efficiency is required of all of us.

The official opposition were complaining, for example, of the lack of time to discuss the supplementary estimates. Yet a perusal of the record will indicate that tardiness and poor attendance by the opposition lost this committee 15 per cent of its available sitting time. On one occasion the

official opposition had only one member present which, together with the eight government members, was not enough to form a quorum. When the government holds only eight of nineteen seats on a committee, Mr. Speaker, and when one of the eight is a non-voting chairman, there is absolutely no reason why the resulting legislation should not be the best possible product of the several points of view represented in this House.

The official opposition have, in fact, amply illustrated their committee control by arbitrarily terminating debate, using a closure procedure which they have themselves found so distasteful in the House on certain previous occasions.

Some hon. Members: Shame!

Mr. Herbert: I want to make one closing remark to the official opposition. If you want to illustrate to the people of this country that you have the ability to govern, stop being hypocritical. When you talk of inflation, produce constructive and specific ideas. Read the speech made by Chairman Earl McLaughlin to the Royal Bank's last annual meeting. All of us supported the social legislation passed by this House in the last session. Let us not turn our backs on it by indirect reference. This government's accomplishments in the last session, despite its minority position, make us all very proud. Co-operate and make this session equally good for Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is true that during 1973 this parliament enacted a number of pieces of very worth while social legislation. I refer in particular to the increases that were made in the pensions and supplementary benefits paid under the Old Age Security Act, to improved family allowances, to improvements in pensions and allowances for veterans, and to other, similar measures. I also have in mind the arrangements which were made for escalating almost all pensions that come under government jurisdiction, namely to increase them not just by 2 per cent per annum but by the full percentage increase in the cost of living.

● (2050)

As I say, all of us in this House can regard 1973 as a year when we did a pretty fair job in the field of social security. I want to say that I am not unduly concerned when the Prime Minister (Mr. Trudeau) tries to take the full credit for that legislation to the Liberal party. The fact is the people of Canada realize that a great deal more was done in one year in this parliament of minorities than would normally be done in five or six years in a parliament in which there is a government majority. The people know why we got some good legislation in 1973.

However, I want to say that I am deeply concerned over the almost complete lack of reference to this whole area in this session's Speech from the Throne. The government is already acting as though it did enough with respect to social security in 1973 and so it can just coast along, leaving this question alone in 1974.

I recognize that in the Speech from the Throne there are one or two references to the Canada Pension Plan where improvements will be made. I am also aware of the discussions about welfare policies that are taking place among the health and welfare ministers of Canada and the provinces. However, as far as this session's Speech from the Throne is concerned, one gets the impression that the government thinks that nothing needs to be done this year in the social security field. I challenge that proposition as strongly as I can.

I say to the government and to members in all parts of this House that already the values that were added to pensions and other social payments last year are running short of today's cost of living. Already those who are on the receiving end of these various programs are justifiably feeling the time has come for still further adjustments.

It is not good enough to say that arrangements were made in 1973 to escalate most pension benefits by the full percentage increase in the cost of living, as though that is all that needs to be done. There are two things to say about that. First, in most cases the base itself was not high enough. Second, welcome though it is that the escalation is not limited by a 2 per cent ceiling, it is still a fact that the escalation is always a few months behind.

A few days ago the Minister of National Health and Welfare (Mr. Lalonde) put out a release about the automatic increases in old age security and the guaranteed income supplement that will take place in the month of April, a few weeks hence. That increase will be based on a rise in the cost of living that began in the month of November. In fact, it is based upon the cost of living in November, December and January compared with the three months immediately preceding the month of November. When pensioners do not get an increase in their pensions until the end of April for the purpose of meeting the cost of living increase of the previous November, they are always getting behind. Therefore, I call upon the government and this House to shake off any lethargy it may feel about this issue.

I call upon the government and I call upon the House to realize that the pensioners of Canada very soon will not be saying "It is wonderful what you did for us in 1973." They will be saying "Why did you forget us in 1974?" Therefore, Mr. Speaker, I plead that in this session of parliament this House must put on the government the kind of pressure that will force it to act in this important field.

When Notices of Motion and Private Members' Public Bills appear on the order paper in a few days, hon. members will see among those Notices of Motion one in my name which calls on the government to give consideration to increasing the basic amount of the old age security pension to $200 a month, payable to all. I urge that this be taken very seriously. That figure is already becoming a minimum figure for pensioners, provided they meet certain tests, in a number of our provinces. Surely no one can argue that anything less than $200 a month is an amount upon which anyone can live in Canada today.

My resolution that will appear on the order paper in a few days not only calls for the pension paid under the Old Age Security Act to be increased to $200 a month. It also calls for the pension age to be lowered to 60 under both the Old Age Security Act and the Canada Pension Plan.

As hon. members are aware, this matter came in for a good deal of discussion during the session of parliament that occupied 1973. When it was under discussion, whether

in this House or in the Standing Committee on Health, Welfare and Social Affairs, there was wide support for the idea that the time had come to bring down the pension age. Whether we do it all at once or whether we do it a year at a time is open for discussion, but it is important that we get started.

I am disappointed with one of my favourite ministers. There are not very many over there whom I can call favourites, but there is one for whom I have a good deal of fondness and respect, the Minister of National Health and Welfare. I deeply regret the statements he has been making that suggest that nothing can be done in that area at this time. I recognize the validity of his contention that there are other areas that have to be attended to as well and that we must deal with the problem of the inadequate income of the working poor, and I am glad the minister is meeting with his counterparts in the provinces to grapple with that issue.

I am proud of the fact that in my province of Manitoba, under the joint auspices of the federal and provincial governments, an experiment is being undertaken with regard to a guaranteed annual income directed toward this very goal of improving the income status of those who are working but whose incomes from their employment are inadequate.

The readiness to face up to that problem, however, is no excuse for trying to slough off the other one, namely the problem of getting the pension age down to 60. I know it is not very long ago that the pension age was 70. I can remember that in my first speeches of this House, more than three decades ago, I argued that the pension age should be brought down to 65. Some people will ask "Are you never satisfied?" That is a good question. They know the answer.

● (2100)

The point I make is that as conditions have changed, the rat race of industrial life and economic struggle is such that there are all kinds of people—they write me every day of the week—who find it almost impossible to keep going physically, to make ends meet until they are 65, and my mail every day contains urgent pleas that I use my voice in this House of Commons to get pensions payable at age 60.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I insist, Mr. Speaker, that this is a goal toward which we must work and it must apply to both the Old Age Security Act and the Canada Pension Plan. I am prepared—indeed I have advocated it in the past and I so advocate it in the resolution to which I have referred—, to make pensions payable under the two pieces of legislation I have mentioned between the ages of 60 and 65, only to those who are out of or who leave the labour market. We should be prepared to apply an employment test similar to the one we provided under the Canada Pension Plan for those aged between 65 and 69 but which is very shortly to be removed from that age bracket. I submit it would be a decent and humane response to the pleas we are receiving from all over the country to say to persons who are out of the labour market or who are prepared to leave it that they can draw the full old age security pension at any time after the age of 60 and that they can draw that portion of the Canada Pension Plan they have earned up to that age at any time after age 60.

I have a great many interests in the field of pensions and I intend to speak to as many of them as time will permit tonight. I think I place the two suggestions I have just laid before the House, raising substantially the amount of the basic old age pension—I suggest $200 a month across the board—and lowering the pension age, at the top of the list. I say to my good friend the Minister of National Health and Welfare, and I say to the members of cabinet as well as to all members in all parts of the House, that this issue will not go away. Just as I was sure many years ago, when I started out arguing for the removal of the means test, when I argued in favour of raising the amount of the pension and for lowering the age requirement, that we would win those battles, I am equally sure we will win these two battles for a higher amount and for 60 to be the pension age.

But let it not be necessary for some of us to fight for another 30 years to win these things. They are possible of achievement now, and they should be brought into effect right away. So, Mr. Speaker, I call upon members to give serious and favourable consideration to the proposition that I am placing before the House and to the motion which will appear on the order paper in a few days' time for amendments to these two statutes, the Old Age Security Act and the Canada Pension Plan, raising the basic amount of the old age pension to $200 a month, and lowering the qualifying pension age under both pieces of legislation to 60, on a voluntary basis so far as each individual is concerned.

I move on to say that I think there are further improvements which should be made with regard to the pensions of retired public servants, retired members of the Armed Forces, retired R.C.M.P. personnel and others. We have made improvements in this area quite dramatically in the last few years. It was a good move we undertook last year in removing the 2 per cent ceiling from the escalation clauses so that the pensions now rise every year to meet the full amount of the cost of living increase. But, as with other pensions, that escalation is delayed. It is assessed only once a year. It can be 10 or 11 months behind the time the cost of living starts to go up. There are the difficulties faced by retired R.C.M.P. and Armed Forces personnel arising from the fact that the escalation does not start until age 60 except in certain special cases. I think those difficulties should be resolved.

I wish to use these few minutes I am devoting to retired public servants, retired R.C.M.P. and Armed Forces personnel and others to highlight an issue which applies to these groups and which also applies to all pension groups. That is the question of the amount of pensions paid to widows. We have accepted for years, for decades, that somehow a pension belongs to the man and that he should get 100 per cent of it. If his wife dies he carries on to draw the 100 per cent. However, if he dies first we think we are being generous to accord a 50 per cent pension to the widow. In the case of Members of Parliament we have done a little better. We have provided them with a 60 per

cent pension, and certainly no widows' pensions should be less than we provide for our own widows.

However, I am questioning even that limit of 60 per cent. Surely, when a pension is earned and the husband and wife have been a team, it is their pension. Just because one dies first rather than the other should not result in a different rate of pension. I submit, therefore, that whatever pension is paid to the pensioner himself, let us say the husband, that same rate of pension should be continued to the widow.

When members opposite talk about ending discrimination against women, I suggest that they talk about ending this problem. I suggest it is no longer fair in an age in which we talk about equality to carry on this kind of discrimination against widows. Again, I am conscious of the mail I receive every week and of the scores of cases of which I know personally involving widows who are left with 50 per cent of what the husband's pension was and who find, especially with today's rising costs, that they have to upset their whole way of life because of that reduction. On the other hand, if the wife dies first the widower carries the full pension and can ride along just as he did before. I submit that this is a correction which needs to be made in the whole area of public service pensions where the federal government is in control. It should be made in other places as well, but surely where the federal government has control is the place to start.

I move on now to say a few words about railway pensions. In the main I have to talk in this chamber about Canadian National pensions because the Canadian National is ostensibly owned by us, although I think the Canadian Pacific has just as much responsibility to the public as the Canadian National in consideration of what we have done for that railway over the last century or so. If therefore wish to talk about railway pensions.

Last summer, as hon. members will recall, there was a dispute as a result of which we spent a few days of special sittings in parliament and passed legislation putting the workers back to work. One of the issues in the dispute was that of pensions, and when Mr. Justice Hall was appointed as arbitrator on the wage issue a side appointment was made, namely that of Dr. John Deutsch as a commissioner to inquire into the pension question. We knew then very clearly the limits of Dr. Deutsch's commission. All he was empowered to do was to assess the percentage value of the pension changes which had been won in the negotiations in relation to the total wage package. He had no authority to review railway pensions as a whole and he had no authority to improve the position of retired railway workers already drawing their pensions. A great many of these people took hope in the thought that since a famous man like, Dr. John Deutsch had been appointed the commissioner dealing with railway pensions, something would be done about those pensions. I have had to write scores of retired railway workers defending Dr. Deutsch, pointing out that this was not his commission, and that all he had the right to do was make that one very narrow judgment.

● (2110)

During the course of that debate last summer the Minister of Labour (Mr. Munro) admitted that the assignment given Dr. Deutsch was a very narrow one. He said that at an early date he would appoint another commission to go into the broad question of railway pensions, in all their aspects.

A few days or weeks ago in Edmonton the Minister of Labour (Mr. Munro) repeated that promise, but we are still waiting for this to be implemented. I implore the Minister of Labour not to delay any longer. As a matter of fact, Canadian National retired workers for a number of years have had a 2 per cent increase each year but have not even had that for 1974, and nor is there any sign of it. All other government pensions are now being escalated by the full extent of the cost of living increase and railway workers should get that as well; yet so far in 1974 they have not had any sign of any escalation at all. It is a crime that these employees are having to wait to find out what is going to happen. They have been left out and forgotten, and I call upon the government to face up to this issue and deal with it just as soon as it possibly can.

Another area of pensions that this parliament must deal with is the whole question of how private pensions operate. Far too many of them fall short, and most of them fail on the important point of escalating pensions after retirement. I insist that the Pension Benefits Standards Act be amended in many respects, and one of the things that is required is that every pension plan have in it provisions for the escalation of pensions after retirement. There must be further provisions to make sure that pension funds are safe and that people get value for what they put into them. As a matter of fact, the day may well come when these private pensions will have not only to be integrated and made portable, but brought more directly under the aegis of the federal government.

More and more individuals are realizing the shortcomings of private plans. I am amazed, at some of the people who have spoken to me, people who do not have any interest in my particular political philosophy, and who have said to me: "Stanley, why don't you speak up for an improvement in our private pensions plans?" I certainly do, and I think this is an issue with which this parliament must deal.

I should like to say a few words about another area of pensions, and I refer in this instance to war veterans. Here too we did fairly well in 1973, though not enough to jump for joy, boast and all of that, particularly when one considers the sacrifices which were made and the fact that we are falling a long way short of the promises made to these Canadians. However, we did improve the basic pension for the disabled under the Pension Act, and we did make improvements in the War Veterans Allowance Act.

However, as an example of something I think is most unfair, I draw attention to the treatment which has just recently been accorded recipients of war veterans allowances who are 65 years of age or over. As hon. members know, war veterans allowances, like disability pensions under the Pension Act, are now escalated annually by the full percentage increase in the cost of living, and that increase takes place in January. Hon. members also know that old age security and the guaranteed income supplement are escalated by the full percentage increase in the cost of living, but that escalation takes place every three months.

On December 10, not many weeks ago, I asked the Minister of Veterans Affairs (Mr. MacDonald) a very specific question. I asked him whether the necessary arrangements were being made so that veterans 65 years of age or over who were receiving both old age security and the guaranteed income supplement on the one hand, and the war veterans allowance on the other, would get both the escalation payments due in January, the one on the OAS-GIS being quarterly, and the one on the WVA being annually. The minister's answer on December 10 was that those arrangements were being made.

On January 3 I asked again whether arrangements had been made so that those veterans 65 years or over would get the escalation in both parts of their income, and the answer was: "Yes, those arrangements have been made" Things have not worked out that way.

What has happened is that veterans 65 years of age or over who are in receipt of both OAS-GIS on the one hand and WVA on the other got the January increase in their OAS-GIS, and fortunately they were allowed to keep it; but their was veterans allowance stood at precisely the same level with not one cent of an increase. The promise made to me by the Minister of Veterans Affairs on December 10 and January 3 was not reflected in the order-in-council that was passed or in what happened to the veterans themselves.

So while we boast about the fact—and the government does this all the time—that at least those who are in need or on fixed incomes are getting an escalation of their incomes in accordance with the rise in the cost of living, here are veterans, of all people, 65 years of age and over, and veterans' widows, whose income is made up in the main of two elements, OAS-GIS on the one hand and WVA on the other, and who are receiving the escalation on only the OAS-GIS portion. In other words, the cost of living may have gone up three or four percentage points during a certain period of time, but they receive a three or four percentage point increase on only a portion of their income. In other words, they are being shortchanged. I dislike shortchanging being perpetrated on any of our people, indeed on any of our retired people, senior citizens, railway workers or any others, but I think to shortchange our veterans 65 years of age and over and veterans' widows is really incredible and unthinkable.

Those on disability pensions, if they have enough that they do not have to fall back on war veterans allowance, of course get the full percentage increase in their disability pensions. If they are over 65 years of age and are getting both a disability pension and old age security, they get the escalation on total income. But this special group of people in particular need, the burnt-out veterans, the veterans who cannot prove that they were actually hurt or disabled in a conflict but spent their time in overseas service, do not get the escalation on their full income because of the faulty way in which that order in council was drawn.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the member but his time has expired.

Some hon. Members: Carry on.

Mr. Bell: Carry on for another 10 minutes.

The Acting Speaker (Mr. Boulanger): Does the House agree?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I shall only be a few minutes longer. Before you found it necessary to draw my attention to the passing of time I was pleading that this sort of shortchanging of people, retired persons in particular, is a crime in any area. But I think it is particularly pernicious when it happens to veterans, and especially when it happens to veterans who are in that group known as burnt-out veterans and are the recipients of war veterans allowances.

● (2120)

In a month or two there will be another increase in the old age security and guaranteed income supplement. It will not be very much this tme. That puzzles me. It seems to me that the cost of living is going up much faster than these increases are. But I suppose they will get that increase in their old age security and guaranteed income supplement and the Department of Veterans Affairs will say to us that the veterans got an increase, so what are we complaining about. What I am complaining about is the hypocrisy of the government boasting that they are indexing the incomes of those who are in need—pensioners, those on fixed incomes—not just by 2 per cent but by the full amount of the cost of living. The fact is that there is one particular group for whom this is not being done and it is this group of veterans who are in receipt of war veterans allowance and are over 65 years of age.

I dislike the fact—and I protested it with my colleagues in all parties when this proposal was brought in—that these persons were forced to go on the guaranteed income supplement, that they were not permitted to draw the full amount of their assistance from the funds of the War Veterans Allowance Board. At any rate, that was done and we are stuck with it, but I do plead that this be looked at again.

Perhaps my main reason for mentioning the fact that a change is coming in April is to recognize the fact that when that change comes another order in council will be necessary to permit these veterans to keep the increase that they will get in old age security and guaranteed income supplement. I call upon the Minister of Veterans Affairs (Mr. MacDonald) to persuade his cabinet colleagues to correct this situation. I think that is where the trouble is. I do not think it lies with him. I think he has the interest of the veterans at heart, but he has colleagues who think of veterans as welfare recipients on whom they can cut down a bit and save money. I hope he will persuade his colleagues that when the order in council is written in April to take care of the next increase in old age security and guaranteed income supplement, it will be drawn in such a way that these veterans will be permitted to get the increase in the war veterans allowance that came into effect in January but which they did not get.

While the minister is dealing with his cabinet colleagues on the whole question of the war veterans allowance, I hope he will also impress upon them very strongly the request by veterans for the removal of the March 31 deadline on the Veterans Land Act. There are only 31 days

to go. I remind the minister and the government that this House of Commons on November 9, 1973, passed unanimously a motion of mine made under Standing Order 43 calling upon the government to give consideration to continuing the Veterans Land Act beyond March 31 and making it possible for veterans to get holdings even if the only reason they want those holdings is to establish homes. Surely those who fought for this land are entitled to a piece of it. It should not be cut off because of the deadline that is in the legislation.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The minister thus far has simply said that he is still considering it. I give him credit for the the fact that at no time has he by word of mouth or in a letter said that the answer is final. But neither has he given any great hope that that deadline can be lifted.

Appeals are coming in from veterans all over the country with regard to this matter, and while perhaps this is slightly at variance with the theme of my remarks tonight, which has focussed on pensions throughout, I submit this is part of the standard of living of retired veterans. If the government is not prepared to do as much for them as we want done in terms of pensions and allowances, surely the government can keep alive the Veterans Land Act. I would not just postpone that March 31 deadline; I would remove it altogether. Surely as long as any veteran who has served this country wants assistance to get a piece of this land on which to live, this parliament would want to support the veteran in that claim.

I ask the Minister of Veterans Affairs to read carefully the letters that he is getting from some of the veterans organizations on this issue. I say again: I know where his heart is. I think it is with the veterans, and I am aware of the problem he has with some of his colleagues, notably the ones who sit between him and the Minister of National Health and Welfare. The extremes are not bad, it is what is in the middle. Oh, there is the President of the Privy Council (Mr. MacEachen), who has just come in. He is not between them because he is in the front row. He has great influence and I am glad he came here to hear this part of my speech. I hope he will use that influence in favour of the veterans with respect to this issue, just as I hope he will use his influence with respect to the other issues about which I have been speaking tonight, if I can prevail upon him to read the parts of my speech that were made while he was not here.

I thank hon. members of the House for their courtesy in giving me these extra few minutes. I am sure that some of my friends will say to me: "My, you made a speech on pensions, imagine that. That is something new". It was new when I first made speeches on pensions back in 1942 and 1943. But there have been many of them and we have come a long way since then in all these areas. Pensions in those days were $20 a month payable at age 70 with a means test. Widows were not covered under the War Veterans Allowance Act. There was no Canada Pension Plan. We have come that distance because some of us believed that the things we were fighting for were right and that if we stuck with them we would win.

[Mr. Knowles (Winnipeg North Centre).]

I take the position tonight that we are right in asking for a substantial increase in old age security and the lowering of the pension age to 60; that we are right in asking for equal treatment for widows; that we are right in asking for immediate consideration of the problems of railway workers; and that we are right in asking for a fair deal for our veterans right down the line. I welcome the feeling of support that I sense in the House tonight for these remarks that I have made, and I call upon the government to come through.

Some hon. Members: Hear, hear!

Mr. Barnett J. Danson (York North): Mr. Speaker, it is a pleasure always to follow the hon. member for Winnipeg North Centre (Mr. Knowles) particularly when he speaks about veterans pensions. I have a conflict of interest as a 30 per cent pensioner and I want to encourage him in his program as far as he wishes to go.

First, I should like to congratulate my colleagues, the mover and seconder of the Address in Reply to the Speech from the Throne, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier), who acquitted themselves so ably yesterday. I also want to say how good it is to be back and to see your smiling countenance here in the House after the recess, Mr. Speaker. I think it is important that this recess took place. It was the best one I have had since I have been in the House of Commons. We had a long and grinding session and by the time we left we were a little worn out, I think. I think it is important that everybody is back refreshed. When I came back the other day I felt like a stranger in Ottawa. I think that is good because for a while we were beginning to think that this was our home, this was where the real world was. We went back to our homes and the real world and we are enriched once more.

I think the recess was particularly important because all of us accomplished a great deal of work. We now have our constituency offices. I urge those who have not opened them to do so as quickly as possible because it will give them a further contact with their constituents and a further opportunity to serve them. It is extremely important to have a fully staffed constituency office. It has put a heavier workload on us but it has also given us an opportunity to serve our constituents, one that we have not had before. When we are not here in session and are home in the recess we can continue our liaison with Ottawa easily and we are happy about that.

However, my comments will be on the throne speech. I should like to say frankly that I am particularly pleased with the throne speech of yesterday. Our newspapers kept on saying that we should not expect very much, and I did not.

● (2130)

However, I was pleasantly surprised because I thought it contained a great deal. It responded very much, and addressed itself to the issues of today to which we must respond. They are gut issues; they are bread and butter issues. I have not heard too much carping about "too little, too late." In sum it is the sort of thing where people address themselves to the issues as they are.

We are trying to deal with a fundamental difference in our approach to inflation, which is articulated in the throne speech, and which is certainly evident in the speeches made in relation to it. What is being attempted is to get to the root causes of inflation, some immediate term, some long-term, but no bandaid approach, to fight that which we can tackle domestically, and to come to grips with the greater portion of it, which we all admit is a world problem, in the best way that we know how.

We are to deal with the whole question of oil, oil imports and oil prices. We are to address ourselves, really in a quite innovative way, to the problems of providing food through our agricultural industry in this country; and I think it is a particular credit to our Minister of Agriculture (Mr. Whelan) that so much original thinking has gone into the Speech from the Throne in relation to farming.

We are to deal with housing, and we are to take a serious look at the unemployment insurance plan. We all recognize, at least I hope we do, that we have something great here, something that could be true social legislation. It is not without its problems, and some of them are major as we well know, but the fact is that we have to refine the processes and the program. There is a great danger, however, that those who unthinkingly criticize it are endangering one of the most valuable pieces of social legislation that we have now; so what we are going to attempt to do in this session is to improve it and make it even better.

We will address ourselves further to the problems of small business. I am impatient to see the transformed Industrial Development Bank come into operation, to provide one-stop banking services for small business.

An hon. Member: It was promised last year.

Mr. Danson: Yes, and I am still impatient to see it.

We are to come to grips with welfare, and to fight in a meaningful way for strengthening the position of women in our society and economy. In that respect I was very impressed by the Law Reform Commission under Mr. Justice Patrick Hart, which recently addressed itself to the problems of the family courts.

There is just one thing I would like to suggest here to the Law Reform Commission and to legislators. This refers to the deserted partner in an estranged marriage, usually a woman, and often a mother. Under existing circumstances an award is made by the court, and all too frequently the other partner, usually the husband, does not meet his payments. Frequently when the wife tries to chase him he moves to another jurisdiction, sometimes to another province, sometimes to another country, and she is left in a particularly vulnerable position. She has to hire lawyers and search her husband out, and because she has not received her payments she may have to go to work. Thereafter she may have to leave that work to pursue the legal procedures in relation to her missing payments.

All this is terribly unfair and I would urge that we, together with the provinces, acting in concert right across Canada—so that we do not get into jurisdictional disputes, and so that the deserted wife or mother does not suffer from such jurisdictional disputes—stipulate that when a court award is made it is to be paid by an arm of the Crown, so that payment is assured to the mother, the wife, or to the husband, as the case may be. Then it would be up to the Crown to make certain that the husband acts, that he pays his alimony, that he pays the award made into a Crown fund. If he is delinquent the authorities would go after him and, if they cannot find him, then the fund would pay.

If the report of the Law Reform Commission is correct, welfare payments in this one area alone amount to $1 million a day. Such a fund, if established, would reduce these welfare payments substantially. I do not say that a scheme like this would reduce them completely, because usually alimony payments are not enough and it is necessary for further assistance to be provided. But the soul destroying experience that these women have to go through in this process is one that should not apply in our society today.

Some hon. Members: Hear, hear!

Mr. Danson: My wife told me to say that, Mr. Speaker. But it is something quite serious, and in a civilized and so-called advanced society we should not allow such a situation to exist when we can remedy it so easily. I urge this on the Law Reform Commission and on the ministers responsible for the legislation.

The Speech from the Throne goes on to mention improvements in the Canada Pension Plan in greater recognition of women's role in our society, and then goes into the whole question of science and technology. Mr. Speaker, all of these things may not appear to have very much to do with inflation itself, but they do help to make society more productive and thus, in my view, more competitive. As I see it, the only way we are really going to beat inflation is to produce, to be as productive as, or more productive than, our trading partners, to keep our productivity up and our costs down so that then we really will not have a problem with inflation.

The one matter that concerns most of us about the so-called oil crisis is the alternate uses of energy and the alternate sources of energy available to us. I am afraid that at least here in Canada we are becoming a little complacent about the oil shortage, because in effect we have got it made. This is one of our problems. We have got so much going for us, that all we need do is get used to living with the higher prices. Of course that is not nice, but we are able to adapt much more so than other countries.

We have other sources of energy that previously were not considered economic. The primary one in Canada is the Alberta tar sands. We knew these tar sands were there. We knew they were not economic to develop at existing world prices for oil, but regrettably they have now become economic for development.

While we have a short-term energy crisis we are aware, now more than ever before, that we have the ability to resolve it on a long-term basis and, I think, on a world scale. It requires only the will and the commitment of the resources to do so. The oil producing states have made us aware of the great opportunity Canada has to upgrade its economy with existing resources.

It is not generally realized that Canada possesses massive coal reserves, primarily in Alberta and British Columbia, which offer a further major energy source for us. The remoteness of these reserves from the major eastern industrial centres, the transportation costs, plus the access of western users to our oil and gas producing areas, have retarded the development of these coal reserves. The major exception is the coal being shipped in large volume to Japan. The coal which eastern Canadians do use is usually imported from the more accessible American coal fields in Pennsylvania and West Virginia. Certainly that applies in Ontario in respect to coal used by Ontario Hydro.

These coal reserves offer a major ace in the hole for Canada, and give western Canada still another resource on which it can build a significant industrial economy in the years to come. The coal, like western oil and gas, can be converted in the west, with its valuable by-products being shipped in a more sophisticated form to the rest of Canada and, when in long-term surplus, to the rest of the world, naturally at the higher prices that more refined processing brings with it.

This is one indication of how the current crisis has made us aware of the necessity to develop alternate energy sources. With coal, the supply and the technology are largely available to us. Other resources with equal or greater potential require new technology or further development of existing technology. Nuclear power is one of the most obvious, and even existing technology becomes more competitive with escalating oil prices. Canada has both the technology and the uranium reserves. I think we have been fortunate in "hanging tough" with the CANDU, which some people thought was a mistake. They thought we were on the wrong track with our heavy water process but it turns out that we seem to be right. Other countries are now looking at us with great respect and great interest.

● (2140)

There are other limitless renewable resources of energy. Solar energy potential is so great that the harnessing of only a miniscule amount dissipated daily can provide all the heat and power required for our needs. That is easy to say, but you have to harness it and store it.

The processing of human and animal waste is another source of an almost infinite nature. We thought this was sort of funny. As a matter of fact, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) has been saying it for some time. Pig farmers in England have been driving their cars on the methane gas produced from pig waste and from garbage. It is a serious source of energy. If any of you have heard of the explosion of buried garbage dumps, that is caused by the methane gas which is generated in the decaying process.

An hon. Member: You sound like an expert in the field.

Mr. Danson: I am not an expert but I am interested and I would like to become expert. I think we should all address ourselves to these problems because they are rather important.

The capturing of tidal power and conventional hydroelectic power of a non-depleting nature has ecological impact which makes it imperative that we approach it only with very special care and sensitivity. There are some great experts like the Rothchilds. I always say they have water on the brain because they always see things in terms of water resources and power. Also we see some bad ecological effects from rather good programs, such as the Aswan Dam. We should be able to avoid these in the future.

The options are many but the task itself is massive. No one can say which is the best, the most economical, and the most environmentally desirable. One type may be best for Canada but not for other nations, and the reverse is also true. The developing nations' needs and technology may require different responses than those of the industrial nations.

Today I was at lunch at the home of the Indian High Commissioner and was interested to meet a young commercial attaché who told me that in India, where they have a very serious energy problem—not the result of luxury as only 8 per cent of their gas goes into cars and trucks, some going to make simple things like kerosene which the ordinary person in India uses for cooking, the remainder being used for industrial processes—the additional cost of energy for them is of great importance. But it is something which they must face and which I think we must face.

I also learned that they have massive coal reserves in India. That is something I never knew. I did not know I was going to be speaking tonight—although I knew I was going to speak in this debate—and I was going to get the figures. With a population of some 500 million in India, they have reserves which, this young attaché says, could last them hundreds and hundreds of years. In any event, they appear to be massive. So you can use technology for gasification. Sometimes these embassy parties are not all bad. An attaché from the South African embassy told me that a high percentage of their oil and gas is produced from coal. It is higher cost. They import some, but they still produce a major portion of their requirements from coal. So the technology is available around the world, if we could just harness and refine it.

The whole task must be approached with the same urgency and allocation of intellectual and material resources that produced the first atomic bomb and the space programs in the United States and the U.S.S.R. It is a major, massive commitment of resources on a greater scale than we have seen in the past. In this case, fortunately, it is for peaceful purposes and for all mankind. I think it offers a unique opportunity for international co-operation and sharing that has not heretofore been realistically existent. No time should be lost, I suggest, and I think Canada can play a significant role. Indeed, I think we can take the initiative, take the lead and act as the catalyst for this program in the world today. It does not matter who gets the credit, though we are in a good position as we are well respected in this field internationally. We have an energetic energy minister who can take the ball and run with it so I think we could really do a great service to mankind.

The project must include all interested nations, and particularly those with a resource potential or scientific capability. All technological input must be pooled and the

results acceptable to everyone. Needs, resources and potential techniques should be defined and the tasks allocated. It might be sub-divided with designated nations, or groupings of nations, forming the nucleus for the specialized research efforts and taking the lead. For instance, Canada might be the centre for all the nuclear development or perhaps the heavy water development, or we might take the lead in coal processing. The United States could take the lead in solar energy, as that is a massive one. The common market might join forces in the field of animal and human waste. Eastern European nations, the socialist states, if they come into it—and I think they should—could co-ordinate coal processing. The Scandinavian countries could take on hydro-electric development, the Soviet Union could perhaps take on natural gas, and Japan could take on oil technology. I think we could learn a great deal from them.

None of these nations would have a monopoly, nor would they necessarily provide the greatest input in the area of their responsibility. They would provide the administrative, co-ordinating and publishing functions of the efforts of scientists and engineers in all participating nations. Teams would be operating throughout the world and the scientific cross-pollination could result in major break-throughs and immense spin-offs in developments which are quite unpredictable at this time. For example, a great deal of our computer technology is a result of the requirements of the space program. There are sophisticated metallurgical processes as a result of this program. There is transistor technology too. Do hon. members remember about five years ago when we used to have tubes in our radios? We do not see those any more because we have transistors. This is part of the scientific, technological and industrial fallout from all of these programs. We can see it in our own country in programs like the CF-100 or the STOL aircraft. There is technological fallout and skills which come as a result of these programs, and people are using them on a much more refined basis than ever before.

It is even conceivable that the United Nations, through a new agency and a secretary general for energy, could be the catalyst for something like this. I think it deserves that sort of priority. The important thing is to have the will, to get the ball rolling on a scale and with a degree of urgency that has never before been conceived, with the participation and co-operation of all nations. It is rarely that a world crisis can benefit all people and all of the nations on this earth by the harnessing of the natural and human resources which are the heritage of everybody on earth. I would urge consideration of this suggestion by this government, by this country and by the entire world.

There are other things in the throne speech which give food for thought. One was the greater utilization and more refined use of manpower. I have been concerned that some 50 per cent of our work force is under the age of 25. This is the result of the baby boom. I do not know why we did not see them coming. I think they still took nine months in those years, but somehow we did not calculate their arrival. We saw them coming through our public schools and our high schools, through our universities and into our work force, but we were surprised every time. Members of parliament will be standing in this place in the year 2005 or 2015 saying "Who are all these people who are getting their old age pensions?" They will be products of the baby boom that we started in our passion.

An hon. Member: Speak for yourself!

Mr. Danson: Well, I have done pretty well and I have no complaints. This gives us the fastest growing labour force in the world, and this group will be with us, being absorbed into the work force, until 1980.

As a result of this there are many serious problems. Some of you may have read—certainly the people in the Toronto area will have,—about a 16 year old girl from Elliot Lake who hanged herself in a cell in Toronto's dirty old Don jail. Now you wonder what has happened to this girl (a) that she was put there, and (b) that she was so distraught that she hanged herself. You see the reaction of the judge, Judge Addison, a humane sort of person who is sick and sorry from what he sees has happened—not because of his fault—trying to allocate the blame, trying to be blamed. I could not help but wonder about her parents up in Elliot Lake. They had a little blond child—I do not know if she was blond—on their knees and I am sure there was a very proud father who wanted to see her through school and marriage and have grandchildren. Yet he probably saw her wracked with drugs through an over permissive society, and she just disappeared from the scene. She was a babysitter in Toronto and was accused of stealing Christmas gifts from the place where she was sitting. She had been in constant trouble. What sort of trauma affected this girl? What has happened to our society when we can let this sort of thing happen? I think this touched people in our area very deeply. On the surface, it appears that the girl stole some Christmas gifts. That was pretty mean. This was a 16 year old girl. What is happening in a society which can produce this sort of thing?

● (2150)

I suggest that we have not moved fast enough. I think we have done a great deal by introducing programs such as Opportunities for Youth, Local Initiatives, the Company of Young Canadians and other imaginative programs. We have let the kids do their own thing. Really, what they need desperately is some help in doing their own thing. I think some of the organized institutions in our society were pretty staid. They were not communicating with these kids. But they have learned and they have been shaken up. That is why certain agencies have become involved with our imaginative and bright youth in giving us great programs.

These kids grew up in a gentle and kind society which allowed them to do what they did. They had a secure base from which to work and they had time with which to work. I do not know if we are all the same, but when I was growing up you looked after yourself or you were not looked after. That was not so terrible. I was told that it was terrible. I heard the hon. member for Winnipeg North Centre (Mr. Knowles) the other day talking, on a program, about the depression. Some people said the depression was terrible; others thought it was fun. I did not even know we were poor. I just thought that is how things were.

We have tried to channel the activities of these kids, but we have not done it quite correctly. I do not think we

should be ashamed, not at all. I think we have tried very hard. However, when we do these things I think we must use some sort of structure and guidance. Speaking as a father, of course, I have seen the necessity for this. Your little boys grow up and you think they are adults and know what they are doing, but there are times when you realize that they are not. Then you realize that all of us need both someone to talk to and guidance based on experience. That is why during the recess I talked about a national youth service, a voluntary service which might use, perhaps, the infrastructure of the armed services for organization, transportation and accommodation. I raised this matter because it has concerned me for some time. I am sure members have heard me speak about this before. The response to the idea was almost incredible.

People across the country heard me with interest. I have done surveys, both in my constituency and across the country, which show a very high rate of receptiveness to the idea. One survey I did involved the subject of compulsory service. I compiled some figures which I have before me tonight and to which I will refer in order to give some rough totals. Approximately 71 per cent of the people were in favour of a compulsory service. If you want to extrapolate and include those who had some reservations about a compulsory service, the figure for those in favour would be between 80 and 90 per cent of those surveyed. Of those in grades 1 to 8 who were surveyed, 76.9 per cent were in favour of a compulsory service. I am talking about a service you enter voluntarily. Of those who were in grades 9 to 13, 75.1 per cent were in favour. Of those who had technical college education, 78.4 were in favour. Of those with university education who were surveyed, 62.8 were in favour. If we look at the rest of the country we will find that the figures are amazingly consistent. The degree of receptiveness is a little higher in Quebec than the rest of the country. Generally, this idea was very well received.

Such a service would harness the energy of our youth, the enthusiasm of our youth and their desire to be of service to their country, and they would be doing something which would be extremely worth while. I like the voluntary aspect of the service, because I think it is very important for people to want to be in it. I would put a hooker in that relating to unemployment insurance, which I shall deal with if I have time. Fundamentally, the program should be voluntary. If you make the program totally compulsory you would need to bring to it all the apparatus of military discipline. I do not think that is so bad. I had five years of it and survived—some of it behind bars, true, but I survived. However, that sort of program is not really what we are looking for in this country today.

If the program is voluntary, if it is well accepted and well motivated, the greatest punishment would be if you were kicked out of the service. Because the service would be voluntary, people would want to perform well. The kids involved in the program could move to other parts of the country and mix with other socio-economic groups. There could be a great Anglophone and Francophone interchange. They could meet other elements in society which sometimes we do not meet.

Think of the jobs these kids could do. I have listed them. They could include the development and maintenance of national, provincial and municipal parks and recreation areas; work with handicapped, aged and native peoples. On second thoughts I would not include the native peoples generally as I think native people should work for native peoples. They could work with peoples of other disadvantaged groups. They could be involved in environmental clean-ups, and food and erosion control. They could work on forest fire prevention and on cleaning up, and could build fire breaks and access roads. They could be involved in agriculture, particularly in harvesting. They could work in the development and staffing of youth hostels. I just do not see why these things cannot be done. One could go on and on with such a list.

The commitment should be a serious one, say for one year's service. If you do well, perhaps you could be allowed to stay another year. Maybe the service could develop an administration, infrastructure and leadership of its own. The armed forces could give assistance in transportation, accommodation, administration and that sort of thing. Then, if you are really good and you want to stick at it, you might be allowed to stay a third year and maybe serve overseas.

That is the sort of program which I think could give purpose to our youth and give guidance and some sort of structure to those who want it and need it. A program like this would make kids feel that they are paying their dues to the society which has reared and educated them. There could be educational benefits when they have finished. For instance, those benefits could involve an equivalent period, say, or even double that period, at some educational institution. The possibilities are limitless. The need is there. There is a gap in our society which we are just beginning to identify. We have been searching and trying to find solutions. I do not say there is an easy answer. I think if we are genuine, people will respond genuinely, as they have responded to the participatory programs we have had.

I admit that these programs did not all work out well. Some of them worked very well, some of them worked out badly and some were disastrous. The mistakes we made were not for lack of trying. I would rather see us making mistakes by trying to do something than not doing anything at all.

I suggest that this idea should be considered seriously. It requires a pilot program. It should not be a Mickey Mouse program. The concept should be on a scale sufficiently large to get the program going. Then it can grow and we can build on it. We should only build with people who want to be in the program. It will be slow going at first, and because of that more people will want to be in it. It will be something like the summer employment program which really involves cadet training for the Armed Forces.

I think the kids will want to take part in the program. I suggest we can do as much with the kids who would take part in this program as we have done with kids who have taken part in the cadet training program. The program or service would be useful for kids who have left high school and have not yet taken up their university or business life. They need a break, they need to become mature and to be exposed to other people in society. Perhaps they need to

get their hands dirty and to have their backs aching. They will not mind that. I am sure they will want the challenge. We have not been providing it for them. Mr. Speaker, I urge that my suggestions receive the most serious consideration by all members in the House. I see that it is ten o'clock.

Mr. Speaker: Order, please. It being ten o'clock, the House stands adjourned until eleven o'clock tomorrow morning.

At ten o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday March 1, 1974

The House met at 11 a.m.

[*English*]

ROUTINE PROCEEDINGS

MAIN ESTIMATES, 1974-75

REFERENCE OF ITEMS TO STANDING COMMITTEES

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to move:

That the estimates of sums required for the service of Canada for the fiscal year ending March 31, 1975, be referred to the several standing committees of the House, as follows:—

The motion is in the regular form. I have circulated copies so that it might not be necessary for me to read it. It is a very long motion.

Mr. Speaker: The President of the Privy Council, seconded by the Minister of Indian Affairs and Northern Development, moves that the estimates of sums required for the service of Canada for the fiscal year ending March 31, 1975, be referred to the several standing committees of the House, as follows. Shall I dispense?

Some hon. Members: Agreed.

[*Editor's Note: The balance of the motion follows:*]

To the Standing Committee on Agriculture:

Votes 1, 5, 10, 15, 20, 25, L30, 35 and 40 relating to the Department of Agriculture.

Vote 45 relating to the Canadian Dairy Commission

Votes 50 and 55 relating to the Canadian Livestock Feed Board

Vote 60 relating to the Farm Credit Corporation.

To the Standing Committee on Broadcasting, Films and Assistance to the Arts:

Votes 1, 5, 10, 15, 20, 25, 30 and 35 relating to the Department of the Secretary of State

Vote 40 relating to the Canada Council

Votes 45, 50 and 55 relating to the Canadian Broadcasting Corporation

Votes 10 and L15 relating to Information Canada

Vote 60 relating to the Company of Young Canadians

Vote 65 relating to the National Arts Centre Corporation

Votes 70 and L75 relating to the National Film Board

Vote 80 relating to the National Library

Votes 85 and 90 relating to the National Museums of Canada

Votes 95, L100 and L105 relating to the Public Archives

Vote 15 relating to the Canadian Radio-Television Commission.

To the Standing Committee on External Affairs and National Defence:

Votes 1, 5, 10, L15 and 20 relating to the Department of External Affairs

Votes 25, 30 and L35 relating to the Canadian International Development Agency

Vote 40 relating to the International Joint Commission

Votes 1, 5, 10, 15 and 20 relating to the Department of National Defence

Vote 25 relating to Defence Construction (1951) Limited.

To the Standing Committee on Finance, Trade and Economic Affairs:

Votes 1, L5, 10 and 15 relating to the Department of Finance

Vote 25 relating to the Department of Insurance

Vote 30 relating to the Tariff Board

Votes 1, 5, 10 L15, L20, L25, 30, 35 and 40 relating to the Department of Industry, Trade and Commerce

Vote 45 relating to the Standards Council of Canada

Vote 50 relating to Statistics Canada

Vote 20 relating to the Economic Council of Canada

Votes 1 and 5 relating to the Department of National Revenue.

To the Standing Committee on Fisheries and Forestry:

Votes 1, 5, 10, 15, 20, 25 and 30 relating to the Department of the Environment.

To the Standing Committee on Health, Welfare and Social Affairs:

Votes 1, 5, 10, 15, 20 and 25 relating to the Department of Consumer and Corporate Affairs

Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50 and 55 relating to the Department of National Health and Welfare

Votes 60 and 65 relating to the Medical Research Council

Votes 1 and 5 relating to the Ministry of State for Urban Affairs

Votes 10 and L15 relating to Central Mortgage and Housing Corporation

Votes 20, 25 and L30 relating to the National Capital Commission

Vote 30 relating to the Food Prices Review Board.

To the Standing Committee on Indian Affairs and Northern Development:

Votes 1, 5, 10, L15, L20, L25, 30, 35, 40, L45, L50, L55, L60, L65, L70, L75, 80, 85 and 90 relating to the Department of Indian Affairs and Northern Development

Vote L95 relating to the Northern Canada Power Commission.

To the Standing Committee on National Resources and Public Works:

Votes 1, 5, 10, and 15 relating to the Department of Energy, Mines and Resources

Votes 20 and 25 relating to the Atomic Energy Control Board

Votes 30, 35, L40 and L45 relating to Atomic Energy of Canada Limited

Vote 50 relating to the National Energy Board

Votes 1, 5, 10, 15, 20, 25, L30, 35 and 40 relating to the Department of Public Works.

To the Standing Committee on Justice and Legal Affairs:

Votes 1, 5, 10, 15, 20, 25 and 30 relating to the Department of Justice

Vote 1 relating to the Department of the Solicitor General

Votes 5, 10 and 15 relating to Correctional Services

Votes 20 and 25 relating to the Royal Canadian Mounted Police.

To the Standing Committee on Labour, Manpower and Immigration:

Vote 1 relating to the Department of Labour

Vote 30 relating to the Unemployment Insurance Commission

Votes 1, 5, 10, 15 and 20 relating to the Department of Manpower and Immigration

Vote 25 relating to the Immigration Appeal Board

Vote 5 relating to the Canada Labour Relations Board.

To the Standing Committee on Regional Development:

Main Estimates, 1974-75

Votes 1, 5, 10, L15, L20 and L25 relating to the Department of Regional Economic Expansion

Votes 30, 35 and 40 relating to the Cape Breton Development Corporation.

To the Standing Committee on Transport and Communications:

Votes 1 and 5 relating to the Department of Communications

Vote L10 relating to the Canadian Overseas Telecommunication Corporation

Votes 1 and 5 relating to the Post Office

Votes 1, 5, 10, 15, 20, 25, L30, 35, 40, 45, L50 and 55 relating to the Department of Transport

Vote 60 relating to the Atlantic Pilotage Authority

Votes 70 and 75 relating to the Canadian Transport Commission

Vote 80 relating to the Great Lakes Pilotage Authority Ltd.

Vote 85 relating to the Laurentian Pilotage Authority

Votes 90, 95 and L100 relating to the National Harbours Board

Vote L105 relating to Northern Transportation Company Limited

Vote 110 relating to the Pacific Pilotage Authority

Votes 115 and 120 relating to the St. Lawrence Seaway Authority

Vote L65 relating to the Canadian National Railways.

To the Standing Committee on Privileges and Elections:

Vote 10 relating to the Chief Electoral Officer.

To the Standing Committee on Veterans Affairs:

Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50 and 55 relating to the Department of Veterans Affairs.

To the Standing Committee on Miscellaneous Estimates:

Vote 1 relating to the Governor General and Lieutenant Governors

Vote 1 relating to the Privy Council Office

Vote 15 relating to the Commissioner of Official Languages

Vote 25 relating to the Public Service Staff Relations Board

Vote 1 relating to the Ministry of State for Science and Technology

Vote 5 relating to the Science Council of Canada

Vote 110 relating to the Public Service Commission

Votes 1, L5 and 10 relating to the Department of Supply and Services

Vote 15 relating to Canadian Arsenals Limited

Vote 20 relating to the Auditor General

Vote 20 relating to the Canadian Commercial Corporation

Vote 5 relating to the Canadian Intergovernmental Conference Secretariat

Votes 1, 5, 10, 15 and 20 relating to the Treasury Board

Votes 25, 30 and 35 relating to the National Research Council of Canada.

To the Standing Committee on Procedure and Organization:

Vote 1 relating to the Senate

Vote 5 relating to the House of Commons

Vote 10 relating to the Library of Parliament.

Mr. Bell: Mr. Speaker, I rise on a point of order. We realize this motion is not debatable, but I do have what might be called a Baldwin caveat, named after the illustrious member for Peace River.

In view of the fact that none of us is really happy about the way estimates are handled in committee, we hope that no restrictions whatsoever will be placed on the appearance of civil servants before committees. We also hope we will go back to our old roles and that the Macdonald doctrine that was instituted and dug up in December of last year will be once again thrown on to the scrap pile. We trust we will get down to business and that civil servants, without any inhibitions, will be able to go before committees and help us deal with these estimates properly.

[Mr. Speaker.]

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Caouette (Charlevoix): Mr. Speaker—

Mr. Speaker: Does the hon. member rise on a point of order?

Mr. Caouette (Charlevoix): Yes, Mr. Speaker. I merely wish to make the same comment as usual. It concerns a document we have just received and which was printed in English only. I wish to indicate to the mover of this motion that, from now on, we should like to have it in both official languages, namely with the French translation.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

BUSINESS OF THE HOUSE

TIME OF VOTE ON SUBAMENDMENT TO ADDRESS IN REPLY TO THE SPEECH FROM THE THRONE

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to raise a point in connection with the business of the House later today. Under the rules a vote would normally take place at 4.45 p.m. on the subamendment that has been moved. It has been suggested—I believe agreement has been reached to this effect—that the bells might be rung at 2.30 p.m. and that the vote be taken following the ringing of the bells, with the understanding that there will be some compensation for debating time that might be lost during the taking of the vote, and that this time be added at the end of the afternoon.

Mr. Speaker: The understanding of the Chair is that the bells will ring at 2.30. It is not clear whether the President of the Privy Council was going to suggest that there be a limit on the ringing of the bells.

● (1110)

Mr. MacEachen: Fifteen minutes, Your Honour.

Mr. Speaker: The bells will ring for fifteen minutes, so that the vote will be at 2.45. Is that agreed?

Some hon. Members: Agreed.

WAYS AND MEANS

TABLING OF MOTION TO REMOVE CUSTOMS DUTIES ON PETROLEUM PRODUCTS AND EXTEND TARIFF REDUCTIONS INTRODUCED IN BUDGET OF FEBRUARY 19, 1973

Hon. John N. Turner (Minister of Finance): Mr. Speaker, at the conclusion of the last session the House had not completed consideration of two sets of proposed tariff reductions. Pursuant to Standing Order 60(1), I wish to table a notice of a ways and means motion which combines a previous notice of October 23, 1973, removing duties on certain petroleum products and a notice of January 10, 1974, extending tariff reductions introduced in the budget of February 19, 1973. These proposals are reintroduced without change.

* * *

GRAIN

PROVISION OF BOXCARS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, as a result of grain exports lagging by 34 per cent, terminal elevators half full, elevator space at country elevators either non-existent or at a minimum because annexes cannot be filled with tough grain, railway companies 130 million bushels behind in grain shipments, and the minister and the Wheat Board making an appeal for grain even though agents cannot accept it, I move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton), under the provisions of Standing Order 43:

That the whole question of grain movement be referred to the Standing Committee on Transport and Communications to make an emergency study with a view to recommending to the government and the Canadian Transport Commission that they order the railways to allocate sufficient cars to move grain in order that full advantage can be taken of the buoyant market.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAM, "THE NATIONAL DREAM"—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the urgency of my request for leave to propose a motion pursuant to the terms of Standing Order 43 arises from the fact that this is the last sitting day before March 3 when one of the proudest creations of this parliament, the Canadian Broadcasting Corporation, launches a new television series. Having been privileged to see a preview, I propose to move:

That this House offers its congratulations to the CBC on its production of the TV program series entitled "The National Dream", which amongst its other accomplishments so vividly portrays the arduous, and at times hilarious, activities of some of our most distinguished predecessors in the Place, as they laboured to make Canada truly a nation extending from sea to sea.

Perhaps one of the spiritual descendants of Macdonald or Mackenzie—

Mr. Speaker: Order, please. The hon. member has indicated what his motion is. I am willing at this point to inquire whether there is unanimous consent under the terms of Standing Order 43.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*Translation*]

ENERGY

PROVISION OF INFORMATION BY OIL COMPANIES ON RESERVES AND PRICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the terms of Standing Order 43, I ask the unanimous consent of the House to discuss a very urgent matter.

In view of the serious doubts regarding energy shortages, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House take this opportunity to study without delay the necessity of special legislation to order oil companies to divulge their exact surface and underground oil reserves as well as the selling prices to gas stations.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; the motion, therefore, cannot be put.

* * *

[*English*]

VETERANS LAND ACT

PHASING OUT ON MARCH 31, 1974—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I also wish to move a motion under Standing Order 43. The government's intention to phase out the Veterans Land Act on 31 March, 1974, denies to the veterans of Canada their rights under the veterans charter and breaks faith on a commitment made by government in the name of the people of Canada.

I therefore move, seconded by the hon. member for Peel-Dufferin-Simcoe (Mr. Madill):

Price of Bread

That this House order the government to introduce a motion to effect a delay in phasing out the Veterans Land Act until an assessment can be made of the results of a survey being carried out on the effects of the phase-out, and to determine by reference to the Standing Committee on Veterans Affairs that the action contemplated is in the interest of Canada.

Some hon. Members: Hear, hear!

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

* * *

[*English*]

GRAIN

PROVISION OF BOXCARS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I rise under Standing Order 43 to move a motion of urgent necessity. It has to do with the failure of the two major railways to move sufficient supplies of grain to Vancouver and Thunder Bay to meet present and future export requirements and the inability of the minister in charge of the Wheat Board to assure this House that our target for grain sales will be met this year. I therefore move, seconded by the hon. member for Assiniboia (Mr. Knight):

That the Standing Committee on Agriculture meet forthwith, and that the minister in charge of the Wheat Board and officials of the Canadian National Railway and the Canadian Pacific Railway be asked to appear before that committee in order that the movement of grain by rail may be fully examined.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

CONSUMER AFFAIRS

PROPOSED INCREASE IN PRICE OF BREAD—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, in view of the fact that the Food Prices Review Board yesterday afternoon published a full report on the matter of bread price increases I should like to move, under the provisions of Standing Order 43, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House instruct the government to take all steps necessary to ensure that the threatened rise in bread prices does not exceed, as a maximum, the levels recommended by the Food Prices Review Board.

[Mr. Marshall.]

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not, and therefore, the motion cannot be put.

* * *

[*English*]

HOUSE OF COMMONS

SUGGESTED LEAVE FOR CERTAIN MEMBERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, under the provisions of Standing Order 43 and in a case of urgent and pressing necessity, I ask unanimous consent of the House to move:

That, in accordance with Standing Order 5, this House grants leave of absence to the hon. member for Winnipeg North Centre and the hon. member for Cape Breton Highlands-Canso so that they may travel to Westminster in order to provide vital advice to certain members of the House of Commons there.

Some hon. Members: Oh, oh!

Mr. Bell: They have enough trouble.

* * *

VETERANS AFFAIRS

DISPOSITION OF GEORGE DARBY HOSPITAL LANDS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I also rise pursuant to the provisions of Standing Order 43. In view of the recent announcement by the Minister of Health for the province of British Columbia that the provincial government was not interested in acquiring any land outside the hospital grounds of the George Darby Veterans Hospital in Burnaby, British Columbia, in view of the fact that federal government lands at Jericho in the city of Vancouver were returned to that city for the original purchase price, and in view of the fact that 9,000 residents of the municipality of Burnaby have petitioned for the return of the said lands, I move, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

That this House go on record as approving the return of the George Darby lands to the municipality of Burnaby for the original purchase price.

Mr. Speaker: This motion also requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

VETERANS LAND ACT

PHASING OUT ON MARCH 31, 1974—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am still here and I should like to present a motion under Standing Order 43. Perhaps the government House leader, who is also still here, might second it for me.

My motion, Mr. Speaker, relates to a matter concerning which the House has already rejected a motion this morning, but because it is in more general terms and because I have left out anything provocative I earnestly hope the House will consider it. I therefore move, seconded by the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), or by the hon. member for Timiskaming (Mr. Peters):

That the Standing Committee on Veterans Affairs be authorized to consider the implications of the phasing-out of the Veterans Land Act and to make any recommendations with respect thereto.

Mr. Speaker: The House has heard the motion moved by the hon. member for Winnipeg North Centre and seconded by the hon. member for Timiskaming. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

• (1120)

[*English*]

ORAL QUESTION PERIOD

FINANCE

MAIN ESTIMATES, 1974-75—AMOUNT OF INCREASE OVER 1973-74—GOVERNMENT POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Minister of Finance. Last summer and subsequently he called upon his own colleagues to exercise restraint with regard to the preparation of estimates. I should like to ask the minister whether the approximately 20 per cent increase in the estimates tabled by the President of the Treasury Board yesterday complies with or is consistent with the policy the Minister of Finance was calling for, or whether these estimates with their 20 per cent increase in expenditures perhaps represent a change in the policy of the government and the Minister of Finance?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if the House were to compare the main estimates tabled yesterday by my colleague, the President of the Treasury Board, with the main estimates for last year, it would be seen that the increase in expenditure amounts to 11 per cent.

Some hon. Members: Oh, oh!

An hon. Member: No, 18 per cent.

Mr. Turner (Ottawa-Carleton): I am talking about forecast expenditures.

An hon. Member: No—the main estimates.

Mr. Turner (Ottawa-Carleton): As my colleague explained yesterday, the increase in the estimates is primarily attributable to the increase in statutory items and the increase in items which were destined and meant to protect those in our society on fixed incomes and with families, by larger transfer payments to protect Canadians from erosion of their purchasing power. I can say to the hon. gentleman, as the government has said on several occasions, that we do not intend to fight inflation in this country on the backs of the poor or the weak.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, it is pretty hard for the Minister of Finance to fight anybody when he does not know what he is talking about. I should like to address a question to the President of the Treasury Board. This is a matter of record. Is it not correct that the estimates tabled yesterday by the President of the Treasury Board are some $3,621 million above the corresponding estimates tabled one year ago or about 19.6 per cent? Is that not correct, and is it not clear that the Minister of Finance does not know what he is talking about?

Mr. Speaker: Order, please. The Chair will allow the President of the Treasury Board to reply to the question but I am sure the hon. Leader of the Opposition will appreciate that a question in those terms is hardly in order. From a procedural standpoint I will perhaps disregard the last part of the question and assume that the minister will reply to the first part.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the Leader of the Opposition is asking whether the figures in the blue book tabled yesterday are correct. They are. Sometimes the arithmetic he applies to them is correct and sometimes it is incorrect. What he is endeavouring to do is to make assumptions regarding the future course of supplementary estimates in the current year. The government, in every year, endeavours to prepare as farsighted and complete a plan of expenditures as is possible. In the last year, the year 1973 that we have just been through, there were, as I think the hon. Leader of the Opposition will agree, rather extraordinary economic dislocations.

Some hon. Members: Oh, oh!

Mr. Bell: The weather.

Mr. Drury: These called for quick and substantial measures. The government provided those measures and this led to substantial modifications of the estimates' plan laid down much earlier in the fiscal year. He is then comparing, in a sense, apples and oranges—

Mr. Bell: Rotten eggs!

Mr. Drury: —given the two different sets of circumstances.

Mr. Stanfield: Mr. Speaker, I rise on a point of order.

Mr. Macdonald (Rosedale): Here comes a lemon.

Mr. Stanfield: Mr. Speaker, I just want to make the point that the minister spoke for several minutes, clearly avoiding, clearly refusing, to answer the question I asked him.

Some hon. Members: Oh, oh!

An hon. Member: That is right.

Mr. Stanfield: I put the question to the minister again, Mr. Speaker. Is it not a fact that the difference between the estimates tabled yesterday and the corresponding estimates introduced by the government one year ago is not some $2 billion, an increase of about 11 per cent, but some $3,629,000,000 or nearly a 20 per cent increase? Is this not correct? I ask the minister very bluntly to answer that question and not prove himself guilty of trying to cover up the facts.

Mr. Drury: Mr. Speaker, rather than try to follow the arithmetic, and I did not write down the figures the Leader of the Opposition gave, I will refer to page 1-16 of the blue book of estimates which was tabled yesterday. The main estimates for 1973-74 tabled one year ago were as follows: On the budgetary side, expenditures were $18,393 million; on the non-budgetary side they were $803 million, rounded. In the current main estimates tabled yesterday, expenditures on the budgetary side are $22,022 million and on the non-budgetary side $1,274 million. I will not try to do the hon. gentleman's arithmetic.

Mr. Fairweather: Now, subtract. You are hoist on your own petard.

Mr. Drury: The hon. gentleman asks me to retract.

Mr. Fairweather: No, subtract.

Mr. Drury: There is nothing to retract in those figures.

* * *

CONSUMER AFFAIRS

PROPOSED INCREASE IN PRICE OF BREAD—REQUEST FOR ASSURANCE GOVERNMENT WILL ACT ON RECOMMENDATION OF FOOD PRICES REVIEW BOARD

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs that also involves some arithmetic. I hope members will concede that it is relevant to the ordinary taxpayer and consumer of Canada. It arises from the fact that yesterday afternoon the Food Prices Review Board released a study of the projected bread price increase in which it stated categorically that the increase should not, at maximum, exceed two cents. Is the minister now prepared to give the House an unequivocal assurance that he and the government are prepared to act and implement the recommendation of that board?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have been discussing this matter this morning on an urgent basis with the minister in charge of the Wheat Board, the report just having been received by us late yesterday. I think we should see what the bakery industry is willing to do on a voluntary basis first, and I think we should have that response as quickly as possible. I want to repeat the commitment given by the Prime Minister in his statement last December, and confirmed in the Speech from the Throne, that the government is prepared to take appropriate action. Members will recall that the Prime Minister's statement last fall was that we would first see what voluntary action the parties are ready to take. I think they should make a response as quickly as possible.

Mr. Grier: Mr. Speaker, as none of the predicted increases are attributed either by the board or by the bakeries to the cost of wheat, may I ask the minister why consultation was required with the minister in charge of the Wheat Board? Arising from that and as a consequence, may I repeat my previous question to the minister. Is he prepared to give categorical assurances based upon the facts before him and the assurances which were contained in the Speech from the Throne three days ago?

Mr. Gray: Mr. Speaker, I think I can only confirm the assurances which have been mentioned in the Speech from the Throne and previously. I again say that I think we should see what response the bakery industry is prepared to make to the report that came out late yesterday. I hope they will make their response as quickly as possible.

Mr. Grier: Surely the House is interested in the response of the government and not in the response of the bakers. My further supplementary question arises from the report. Does he intend to investigate the suggestion contained in the board's report that certain operations of the bakeries and the Bakery Council of Canada may be resulting in interference with the proper operation of the market and represent restrictive trade practices?

● (1130)

Mr. Gray: Mr. Speaker, this morning I drew these comments in the report to the attention of the acting director of the combines branch. I can certainly confirm that if he feels that under the law a question has been created about a possible breach of the act he will take the appropriate action.

REPORTS OF FOOD PRICES REVIEW BOARD ON RETAIL FOOD STORES AND EGG MARKETING—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. In view of the fact the minister is not prepared to commit himself on the report of the Food Prices Review Board dealing with bread, may I ask him whether he is now in a position to tell the House what action the government took on the report of the Food Prices Review Board with regard to its retail food stores survey, released in November, and the charges recommended by the board at that time? Also, what action has the minister taken on the recommendations in the board's report released in January regarding egg marketing in Canada? Surely the minister has had enough time to study those two reports.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker. At my request the Food Prices Review Board sent us 159 instances of possible breaches of existing law. A review indicated that 119 of them did not have anything to do with any existing law. The remaining 40 were investigated. As a result, 22 charges were laid involving six different stores. The remaining instances mentioned by the board are dealt with in stage one of the competition policy bill which I presented to the House on November 5. I hope the House will get down to debating and deciding on this bill as soon as possible. With regard to the report on egg prices, I think my colleague, the Minister of Agriculture, will be pleased to give some information to the House on that matter.

Mr. Speaker: The hon. member for Champlain.

Mr. McGrath: Mr. Speaker, on a point of order, surely we are going to hear from the Minister of Agriculture.

Mr. Speaker: Order, please. The hon. member rises on a point of order to suggest we should hear from another minister. For the moment, I think we should attempt to complete the first round of questions. Perhaps the hon. member will not mind if I recognize the hon. member for Champlain and return to this question later.

* * *

[*Translation*]

ENERGY

SUBSIDIZATION BY FEDERAL GOVERNMENT OF OIL EXPLORATION IN QUEBEC

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources.

Could he tell us whether the federal government is granting special aid to the Quebec government or to private companies to spur oil exploration within the province of Quebec?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, no special funds have been granted by the Canadian government to that province.

Mr. Matte: Mr. Speaker, I should like to put a supplementary question to the minister.

Could he tell us whether the Quebec government or some private companies have made him a request to that effect?

Mr. Macdonald (Rosedale): Mr. Speaker, I think that neither the Quebec government nor any private company have made such a request to the Canadian government.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a supplementary for the Minister of Energy, Mines and Resources.

Will he tell the House whether he is aware that a company by the name of SOQUIP is now conducting oil explorations in Quebec, more specifically at Joly in the riding of Lotbinière?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. As the right hon. Prime Minister said on December 10 last, we plan to set up a national oil company to achieve the same objectives as those of SOQUIP in Quebec.

[*English*]

ATHABASCA TAR SANDS—INTEREST EXPRESSED BY JAPAN IN FINANCING DEVELOPMENT—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. I welcome him back after his trip to the Middle East where he represented Canada well.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I would like to know whether the government is giving any consideration to loans from foreign sources, to wit, Japan, to secure some $20 million to develop the Athabasca tar sands? What consideration has the government given to this matter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have received a note from the government of Japan indicating in the most general terms the interest of that government in discussing with the government of Canada the development of the Athabasca tar sands at such time as we deem it appropriate to seek the involvement of other countries. As has been mentioned several times, we propose to have further discussions with the province of Alberta in this regard, but the tempo of development we would seek for the oil sands, given the increased demand in Canada in the next decade, would not, as we see it at the moment, leave very much oil available for export.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Was this message received since the Minister of Supply and Services made a statement in Vancouver welcoming such investment? Was that note received from the Japanese government since that time?

Mr. Macdonald (Rosedale): No, Mr. Speaker. That has been the position for some time. I think I would have to say that the Minister of Supply and Services, as in all things, is an enthusiast.

Mr. Diefenbaker: If the Minister of Supply and Services had available knowledge of this note, was he speaking with the authority of the minister and the government or does the minister think the Minister of Supply and Services should stay with his pots and pans and Sani-flush?

Some hon. Members: Oh, oh!

Mr. Speaker: I believe the hon. member for St. John's East and the hon. member for Skeena have supplementaries to a previous question.

Oral Questions

CONSUMER AFFAIRS

REPORT OF FOOD PRICES REVIEW BOARD ON EGG MARKETING—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary to my previous question and it is addressed to the Minister of Agriculture. What action has the government taken with regard to the recommendations of the Food Prices Review Board concerning egg marketing, which were released in January of this year? The first recommendation suggested that the price of eggs in Canada be lowered without delay to reduce the present excess margin over cost while maintaining a fair return to producers. The board also recommended that exclusive marketing be taken away from the CEMA and the egg marketing board. What action has the government taken on these recommendations? My question is all the more urgent because—

Mr. Speaker: Order, please. Perhaps the minister might be allowed to reply.

Mr. McGrath: Mr. Speaker, it has been six weeks since the House last sat and the government has taken no action on the recommendations of this board which is costing the taxpayers $2 million a year.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the government has taken action according to the powers or obligations vested in the Minister of Agriculture and the Farm Products Marketing Council which reports to me. Under that legislation I asked them to make a thorough study of this Food Prices Review Board report. Parliament vested the power to do that in the Farm Products Marketing Council and that is what they are doing. The report will be made public as soon as it has been completed. They are working on it at the present time and it should be finished shortly.

PROPOSED INCREASE IN PRICE OF BREAD—REQUEST FOR INQUIRY INTO ACTIVITIES OF FLOUR MILLING COMPANIES

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a supplementary question to the Minister of Consumer and Corporate Affairs with regard to the prospect of an increase in the price of bread. Will the minister cause an inquiry to be made into the activities of the flour milling companies which own a great number of bakeries and are able to pad the price of flour and make it appear as though the cost to the baker is more than it actually is? Will the minister investigate that type of situation?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be pleased to see that the hon. member's comments are drawn to the attention of the director of the combines branch so that, if there is a basis for action to be taken under the Combines Investigation Act, which is the authority for such activity given to me by parliament, that action can be taken.

[Mr. Speaker.]

• (1140)

FOOD PRICES REVIEW BOARD

INCREASES IN 1974-75 BUDGET—POSSIBILITY OF NEW POWERS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It arises from the disclosure in the 1974-75 estimates that the budget of the Food Prices Review Board will amount to $1.9 million for the next fiscal year, an increase of 90 per cent. Does this added expenditure indicate any new powers for the board?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): The board will continue to carry out the mandate given it under the Inquiries Act in line with the recommendations of the Committee of the House on Trends in Food Prices.

Mr. Lawrence: I asked the minister whether the increased expenditure would mean any new powers for the board. I was not talking about the existing set-up.

Mr. Gray: My answer was clear, I think. I will try to shorten it if the hon. member had difficulty with it. The answer is no.

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GRAIN

SHORTAGE OF BOXCARS TO MOVE GRAIN—GOVERNMENT ACTION

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, I have a question for the minister responsible for the Canadian Wheat Board. In light of the failure of the railways to move grain to Vancouver where presently 12 vessels are waiting and ten more are expected next week, and since the railways have fallen 14,000 cars behind the targets set by them on January 6, would the minister inform the House and the country what action the government is prepared to take if this crisis continues?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we have been holding intensive discussions at the official level and with management concerning the problems that have arisen. The hon. member is quite right when he says that the railways have fallen behind the targets they themselves established as being reasonable for this period. This raises serious questions about an adequate explanation for such conduct even given the limitation upon the number of cars available in the country as a whole. One can appreciate that very difficult winter conditions have impeded the operation of the railways because of the tremendous amount of power required for snowplowing in the prairie region and also because of time out spent by power units affected by snow conditions. The question is whether the railways are doing all they can to overcome these difficulties and how quickly they will mobilize every possible part of their resources in order to overcome the over-all problem and get us back on target.

THE CANADIAN ECONOMY

POSITION OF WORKERS' AVERAGE WEEKLY EARNINGS IN RELATION TO CONSUMER PRICE INDEX—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Prime Minister based on the latest figures released by Statistics Canada which indicate that Canadian workers are encountering a progressively deteriorating situation. In light of his speech yesterday, I would ask the Prime Minister whether he is aware that average weekly earnings in December, 1973, were down by approximately $5 compared with November earnings and were only 5.9 per cent higher than those of December, 1972, while the consumer price index moved up over the same period by 9.1 per cent thus eroding any gains made by Canadian workers? If the Prime Minister is aware of this situation, is the government prepared to introduce specific measures which will offset inflation to a level at which a worker can regain the purchasing power of his dollar?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member will stay around for the rest of the session he will see what action the government is taking to deal with this situation.

Mr. Alexander: Since the Prime Minister does not wish to answer the question and since this is a responsibility of the Minister of Finance, can the minister advise us whether the budget will contain any new measures to ensure that any increases in wages will not be eroded by a high rate of inflation? Can the Minister of Finance give us that assurance?

Mr. Diefenbaker: He can't.

An hon. Member: No arithmetic needed.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. member's seatmate says no arithmetic is needed and I can understand why he would want to say that. I think the House is entitled to look at the figures not only of the average wage as against the cost of living, where there has been a slight falling behind—

Some hon. Members: Slight?

Mr. Turner (Ottawa-Carleton): —but to take into account also the figure of real disposable income, that is to say, the income of the average Canadian after discounting inflation, discounting taxes, adding transfer payments such as family allowances and taking into account the reduction of taxes in my budget of last February. Thus, for 1973 compared with 1972 the average Canadian, in terms of real disposable income, was 6.8 per cent better off.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It seems to me this is debate between the hon. member and the minister rather than questions and answers and perhaps anticipates the debate to take place following the question period. However, the hon. member will be recognized for a supplementary.

Mr. Alexander: I appreciate the lecture the minister gave. I posed my question to him on the basis of information disclosed by Statistics Canada which shows that the purchasing power of the Canadian worker has been eroded by high inflation. Does the minister propose to bring in by way of a budget measures which will protect the Canadian worker in the event of higher wages being received? That is all I am asking.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I was doing my best to reply to the hon. member's question in the same terms as those in which he put it to me. I got my figures from Statistics Canada, too.

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TRANSPORT

RAILWAY FREIGHT RATES—PROVISION OF INFORMATION TO WESTERN PREMIERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact the Canadian Transport Commission has not yet turned over to the western premiers the information concerning freight rates promised to them by the Prime Minister some seven months ago, may I ask whether the right hon. gentleman can tell the House why this has not been done and when the western premiers are likely to get the information that was promised them?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Transport, who unfortunately is ill, did report to me that he had met with the western ministers responsible for transport and that they had discussed this very matter about a month ago, I believe, and had reached a satisfactory conclusion as to the way in which to proceed.

Mr. Orlikow: Since the western premiers indicated yesterday that they are not getting the information, which can only be supplied voluntarily by the railway companies and they are not co-operating, is the government considering bringing in the necessary amendments to present legislation to require information on freight rate costs to be made available regularly as requested by the western premiers?

Mr. Trudeau: The hon. member has pointed out the nature of the difficulty. The commitment we made at the Western Economic Opportunities Conference was based on the assumption that there would be co-operation from the railway companies in this matter. There is some difficulty in getting these figures under the law as they interpret it, but we are still attempting to ensure that we will get their voluntary co-operation and that we will not be obliged to bring legislation into the House. However, if the government does feel it has to obtain legislative authority from the House I hope we will receive quick and spontaneous co-operation from all sides.

Oral Questions

VETERANS LAND ACT

REQUEST THAT MARCH 31, 1974, EXPIRY DEADLINE BE EXTENDED

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of Veteran Affairs. In view of the many resolutions received from veterans organizations across the country which indicate that the overwhelming majority of some 900,000 veterans are in favour of extending the March 31 expiry deadline for the Veterans Land Act, can the hon. gentleman tell us what action he is taking and whether we can expect an extension of the deadline to meet the views of hundreds of thousands of veterans?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, this matter is under review. I will bring an answer to the House in the near future.

Mr. Marshall: Mr. Speaker, I have a supplementary for the Prime Minister. In view of the fact the minister has been giving the same answer for the past year, in view of the fact that a commitment has been made in the name of the people of Canada by past Prime Ministers that no veteran will ever be able to say that Canada has broken faith, and since there was never any indication that anything under the veterans charter would be phased out, would the Prime Minister use his good offices to ensure that the deadline will be delayed until it can be determined that its imposition is in the best interests of Canada's veterans?

Right Hon. P. E. Trudeau (Prime Minister): I have received testimony from veterans' organizations, including statements in their official publications, that the present government has done more for the veterans than any other.

Some hon. Members: Hear, hear!

Mr. Trudeau: I think it has been demonstrated that the present Minister of Veterans Affairs is equally one who has brought forward action which has been wholly supported by the veterans and I am confident he will continue to do so.

● (1150)

Mr. Speaker: Order, please. We have reached the point when I must seek the co-operation of hon. members to limit the number of supplementary questions because we are approaching the end of the question period. I will recognize the hon. member for Humber-St. George's-St. Barbe on a supplementary question, followed by the hon. member for Drummond.

Mr. Marshall: Mr. Speaker, I have a supplementary question I should like to direct to the Prime Minister. Granted that the veterans of Canada are well treated, the proposed action respecting this phase of the veterans charter is going to deny over 100,000 veterans the right to build homes. Even though the government is doing what it can to provide houses, this action will throw another 100,000 into the mainstream and the set-up we have under the veterans land administration could relieve that problem. I would ask the Prime Minister to reconsider and give a yes or no answer to my question whether he will take this necessary action to delay the phasing-out?

[Mr. Trudeau.]

Mr. Trudeau: Mr. Speaker, I have heard the member's arguments and I have heard them before. All I can do now is to support the position of the Minister of Veterans Affairs and express my confidence in him.

Mr. Lambert (Edmonton West): Which is nothing.

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[Translation]

AGRICULTURE

QUEBEC—REQUEST FOR MEASURES TO INCREASE FARMERS' INCOME

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I would like to put a question to the Minister of Agriculture.

Since Quebec has only had in 1973 9.2 per cent of the Canadian farm income, which constitutes a decrease of 6.2 per cent compared with 1969, when Quebec had 15.4 per cent of the farm income, could the minister tell the House whether he intends in the near future to take steps to enable Quebec agriculture to take an equitable share of the national farm income?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I take notice of this question on behalf of the Minister of Agriculture who will be pleased to answer it as soon as possible.

Mr. Boisvert: Mr. Speaker, I should like to ask a supplementary to the Parliamentary Secretary to the Minister of Agriculture.

Could he tell the House whether he intends reviewing the government's dairy policy in order to give some impetus to agriculture in Quebec and take it out of its present stagnation, because at the present time, the situation is untenable for Quebec farmers?

Mr. Corriveau: Mr. Speaker, I think that at the present time, the cabinet and the Department of Agriculture are working very hard to find new orientations for the dairy industry. I think that in a few days the Minister of Agriculture will be happy to announce the new dairy policies of the government.

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[English]

TRADE

PLANS TO OVERCOME DEFICIT IN FULLY MANUFACTURED PRODUCTS—REQUEST FOR STATEMENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Will he take the first opportunity on motions to outline to the House what plans the government intends to introduce early this session to overcome the serious situation brought about by a $5.9 billion trade deficit in fully manufactured products in this country during the first 11 months of 1973?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have been reviewing recently the trade statistics for the past year. We had a very substantial surplus on merchandise trade, close to $2 billion. The figures also reveal that there has been an over-all increase in our exports of better than $5 billion, an amount greater than total exports when the questioner was the Minister of Industry, Trade and Commerce.

Mr. Hees: Mr. Speaker, as the minister in his smart-aleck way completely avoided answering my question I will repeat it. Will he take the first opportunity on motions to outline to the House his plans for overcoming the serious situation brought about by a $5.9 billion deficit in fully manufactured products, products which provide jobs for Canadians?

Mr. Gillespie: Mr. Speaker, I should like to remind the hon. member that about a year ago the House took very important action from the point of view of supporting Canadian manufactured and processed goods. I am referring, of course, to the reduction in corporate tax rates, one of the most significant measures taken. I should also like to remind him that if he looks at all the figures he will see there has been a very substantial increase in exports of fabricated products during the same period.

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EXTERNAL AFFAIRS

GARRISON WATER DIVERSION PROJECT—FEDERAL REPRESENTATION AT MEETING BETWEEN NORTH DAKOTA AND MANITOBA GOVERNMENTS—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of the Environment. Were any federal government representatives at the meeting held in Winnipeg between the Manitoba and North Dakota governments regarding the Garrison diversion?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker, there was an observer from my department present.

Mr. McKenzie: As the Manitoba government has agreed to let the diversion proceed, does the minister also agree in view of the fact it has been reported that it will seriously degrade water quality in Manitoba, and in view of the fact the Secretary of State for External Affairs has stated that meetings are to be held between the Canadian and United States governments regarding this diversion?

Mr. Davis: Mr. Speaker, as the hon. member knows, several submissions have been made to Washington through the Department of External Affairs, all of them in opposition to this project in the United States. We have had some assurance, at least from the State Department of the United States, that it too is opposed to it.

AGRICULTURE

CATTLE—SUGGESTED ESTABLISHMENT OF TARIFFS AND QUOTAS TO CONTROL IMPORTS FROM UNITED STATES

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I should like to direct my question to the Minister of Agriculture or his parliamentary secretary. In view of the large influx of cattle from the United States I should like to know if consideration is being given to Mr. Charles Cracey's suggestion of establishing not only tariffs but possibly quotas in order to stabilize the situation?

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I shall take note of the question on behalf of the Minister of Agriculture who will be glad to answer it shortly.

* * *

[*English*]

ENERGY

PRICE OF HOME HEATING OIL IN OTTAWA AREA

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs concerning the price of home heating oil in the Ottawa area. I believe the minister was made aware of this problem some three weeks ago. In view of the fact that Gulf and Imperial Oil are shipping home heating oil by pipeline from Toronto to Ottawa and that the price is 27½ cents a gallon in Toronto and 34½ cents a gallon in Ottawa, although transportation costs amount to only 1.7 cents a gallon, what action does the government intend to take to roll back this unjustifiable price increase for consumers in the Ottawa area?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have been discussing this matter with officials of the Department of Energy, Mines and Resources who have been conducting an analysis to determine the extent to which the price can be linked to oil from western Canada as distinct from oil which I understand is continuing to come from the east. It may be that the Minister of Energy, Mines and Resources, who is responsible for that program, may have some further information to provide following his return.

Mr. Symes: Mr. Speaker, I should like to direct this question to the Minister of Energy, Mines and Resources. Does the government intend to launch an investigation into this violation of the price freeze on western Canadian oil production, since the oil comes from western Canada, and investigate also why consumers of home heating oil in the Ottawa area are forced to subsidize this price increase?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, sir.

Oral Questions

AGRICULTURE

ACTION TO ASSIST BEEF PRODUCERS IN LIGHT OF IMPORTS SELLING AT BELOW CANADIAN COST OF PRODUCTION

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, this is a supplementary question. In the absence of the Minister of Agriculture, because of the importance of the matter I should like to direct the question to the Minister of Finance. In view of the fact that imports of beef into Canada are now at a market price below the actual cost of production on Canadian feedlots, many of which are either closing down or contemplating such action, will the minister indicate whether the government contemplates any action to bring relief to these producers, and what this policy might be?

Hon. John N. Turner (Minister of Finance): Of course, Mr. Speaker, we are reviewing the situation as we have done ever since the market was rendered unstable by the American lifting of controls. We have the matter under constant review.

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INDUSTRY

RADIO ENGINEERING PRODUCTS COMPANY LIMITED—INQUIRY AS TO SALE AND RECOVERY OF INDEBTEDNESS TO CROWN

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce concerning Radio Engineering Products Company Limited, a company situated in New Brunswick which the government found necessary to take over in order to protect itself in relation to loans to the company and an indebtedness of $4.5 million. Has this company been sold and, if not, are steps being taken to sell it? What steps are being taken to collect the $4.5 million indebtedness to the Crown?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the government acquired a majority of the shares of Radio Engineering Products Company Limited with the object of retaining significant technological skills in Canada, to provide continuing employment in northern New Brunswick, and to improve and stabilize the financial position of the company in order that it might be resold as a continuing business operation. The company has recently gone through a difficult period, largely the result of the level of business. Recently some useful headway has been made in diversifying the company's operations, and significant progress has been made in negotiating contracts for future production. I am hopeful that this process will continue.

● (1200)

Mr. Hales: The minister did not answer my question as to what steps have been taken to collect the indebtedness of $4.5 million.

Mr. Gillespie: As I have indicated, Mr. Speaker, the resources of the company are modest. An effort has been made to sustain the company and to put it in a fully competitive position.

[Mr. Macdonald (Rosedale).]

EXTERNAL AFFAIRS

FAILURE TO FLY FLAG OF FREE UKRAINE AT OTTAWA CITY HALL—POLICY OF DEPARTMENT

Mr. Joe Hueglin (Niagara Falls): Mr. Speaker, may I address my question to the Secretary of State for External Affairs. On January 22, contrary to the custom of recent years, the flag of the Free Ukraine was not flown at Ottawa City Hall. As this break with custom was based on the initiative and advice of the minister's department, is it to be considered that this unfortunate precedent will be applied to the flags of all peoples whose homelands are now included within the Soviet Union—the Latvians, Estonians and Lithuanians as well as the Ukrainians?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. gentleman may know, there is no law in Canada about the flying of flags. When the Department of External Affairs is asked for its advice, as it sometimes is, it cannot, of course, endorse the flying of any flags other than those of governments which are recognized by Canada. That is the only advice we can give. But it is only advice. People can do as they wish since there is no law on the subject. One has to make a distinction, of course, between countries. For example, Canada does not recognize the incorporation of the Baltic states into the Soviet Union, which is quite different from the position of some of the other countries to which the hon. member is referring.

Mr. Speaker: The hon. member for Niagara Falls will be recognized for a supplementary, after which the Chair will call orders of the day.

Mr. Hueglin: It is, then, very clear that the minister's department was approached by the mayor rather than the other way round?

Mr. Sharp: Yes, that is my understanding. We do not look around and say that a certain flag should not be flown. If we are asked for our advice we must give it, of course, in terms of our relationships with other countries. I would hope, too, that when municipalities decide what they are going to do they will observe the ordinary international courtesies.

Mr. Speaker: Orders of the day. The hon. member for Scarborough West is rising on a point of order.

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BILINGUALISM

STATEMENT IN GLOBE AND MAIL ON COST—REQUEST FOR CORRECTION

Mr. John Harney (Scarborough West): Mr. Speaker, I have a point of order or a point of privilege which Your Honour might consider procedurally inappropriate but which nevertheless is extremely important in substance to this House and to the country. In the *Globe and Mail* this morning there is a news article on the front page which states in its body and in its headline that we, the parliament of Canada, are about to spend $8.56 of every $100 on bilingualism.

The simple fact is that we are going to do nothing of the kind. The report in the *Globe and Mail* is out by a factor of 10. I wonder whether the President of the Treasury Board, for the sake of the record of this House and of the understanding by the people of Canada of a very important but nevertheless very sensitive policy of this House, would clarify whether he or his department gave this miscalculated information to the *Globe and Mail* or whether it came from Statistics Canada.

Mr. Speaker: Order, please. That is hardly a point of order. It is perhaps a question that might have been raised in the question period. The Chair has no objection to allowing the minister to reply to the hon. member's question, but since the question period has expired this would have to be done with the consent of the House.

Some hon. Members: Agreed.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think we have been having trouble with our arithmetic today. In this case, as the hon. member has pointed out, a Toronto newspaper, the *Globe and Mail*, has correctly reported information obtained from the blue book and from Treasury Board that roughly $188 million will be spent in support of a variety of bilingualism policies of the federal government.

However, the author has gone on to conclude that $188 million out of the total of the estimates represents 8.56 per cent of the total sum, or $8.56 for every dollar.

Some hon. Members: Wrong again.

Mr. Drury: That is misleading, and perhaps it has misled the Leader of the Opposition. I hope the *Globe and Mail* will make every effort not only to correct but to acknowledge correction of this statement.

Mr. Speaker: Before recognizing the hon. member for Don Valley, the hon. member for York West is rising on a point of order.

Mr. Fleming: Mr. Speaker, I want only to interrupt for a moment, as chairman of the Toronto Liberal caucus, to recognize the mayor of the great city of Toronto who is sitting in the Liberal gallery this morning.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I think I owe it to the House to remind hon. members that it is entirely out of order to bring to the attention of the House the presence of distinguished Canadians or distinguished visitors. This was done yesterday by one of the gentlemen to my right. I thought I should not say anything, but if we are going to get into the habit from day to day of recognizing the many distinguished people who visit our galleries, then we may find ourselves spending as much time recognizing visitors in the galleries as we do on Standing Order 43 motions.

[*English*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Thursday, February 28, consideration of the motion of Mr. Stollery for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto by Mr. Stanfield (p. 31) and the amendment to the amendment by Mr. Fortin (p. 45).

Mr. James Gillies (Don Valley): Mr. Speaker, I should like to commence my remarks by congratulating the mover and seconder of the Speech from the Throne; by offering my felicitations to the Governor General and wishing him every success in his term of office, and by congratulating the Leader of the Opposition (Mr. Stanfield) on his brilliant address yesterday.

Some hon. Members: Hear, hear!

Mr. Gillies: Indeed, may I also congratulate the Prime Minister (Mr. Trudeau) on his fine performance as well as the other leaders of the parties in this House.

Actually, the question whether or not one is prepared to support the Speech from the Throne really depends upon whether or not one can decide from what is said that this government has the vision and imagination to solve the economic problems that are facing Canada, problems which indeed are prevalent in the world today. There is no question that the world today is experiencing its greatest economic challenge since the 1920's. Clearly this is a period when we need imagination, enthusiasm and the ability to adopt new ideas in order to cope with the current economic situation. I was pleased to see that attention was given to this particular matter in the speech.

The economic difficulties facing the world today are very clear and apparent to everyone. They began to emerge last year when a rapid and dramatic change came about in the supply of energy to the countries of the world. The problem has manifested itself in two ways: in terms of supply and in terms of price. The supply problem is most apparent in those countries that depend upon foreign oil from Middle East sources—countries such as Japan, the countries of the European Common Market, and to some degree the United States. As a consequence of this supply problem, there will probably be a slowing down in the rate of economic growth of these countries during the course of the present year.

● (1210)

More important, perhaps, in the long run it will lead to a different allocation of resources in those countries. But far more important than the supply problems which are generated by the situation in the Middle East are the payment problems. Under the pricing policy of the Middle East it is clear that payments will be in the neighbourhood of $75 billion. The simple fact is that those payments cannot be made under any type of conventional system such as has been in the past. Indeed, for some countries, such as India, which is going to have to use half its exports to pay for oil, the payment problem is beyond comprehension.

The point I want to make is that no one is suggesting that we will find a solution to the international economic problems in the old conventional methods of the past. No one is saying that we can have simple changes in the value of foreign exchanges which will clear the payment problems. Indeed, we have to hope that out of meetings such as were held in Washington a few weeks ago, and in Rome at the start of the year, that new economic policies will be developed that will make it possible for these problems to be solved. Because no one knows whether the problems can be solved, there is probably more uncertainty in the world today, so far as economic policy is concerned, than has existed for many, many years.

The reason I mention this problem in world international economic affairs is that I believe that, just as we need new and imaginative methods to solve the problem of international payments, we also need new and imaginative solutions to the economic problems that we have in Canada. The question that you have to ask yourselves, and which every member of parliament has to ask himself when he looks at the Speech from the Throne and the suggestions in it, the broad generalities that are there, is: can we have confidence that this government has really understood the changes that are taking place in the Canadian economy.

We must ask ourselves whether we can have confidence that this government knows the changes in economic policy that have to be made in order to deal with those problems in an effective fashion. I think it was Talleyrand who once said, "How sad it is to live in the middle of a revolution and not know that it is going on". We know that a revolution is going on in terms of economic policy making at the international level. The immediate impact of the oil price changes have made that very clear. But we seem to be unable to recognize that in the development of our domestic economic policies we have also had a revolution in the structure of our economy and the way in which the economy is working. Unless this is perceived, it is very unlikely that we will solve the economic problems of the present, let alone those of the future.

In the Speech from the Throne we do not see anything about a new industrial strategy for Canada. There is nothing in it about a resource policy for Canada, nothing on pricing policies, nothing on a trade policy and, most important, nothing about solving the most important problem we have in Canada today, that is the problem of inflation. In fact, there is only one issue in Canada today and that is the question of what we should do about inflation and the increasing cost of living, because there is no way in which we can solve any of our other problems until we get inflation under control.

Does anybody really believe that we can do anything about the housing problem in Canada until we deal with inflation? Does anybody really believe we can solve the problems of regional disparities of income before inflation is lowered? Does anybody really believe we can solve the problem of income distribution before the problem of inflation is solved? We cannot. The same is true of the problems of poverty. The critical thing that must be done in this parliament is to come to grips with domestic inflation and come to grips with it now.

Some hon. Members: Hear, hear!

[Mr. Gillies.]

Mr. Gillies: Otherwise, we are wasting our time here. Moreover, if we do not solve the problem of inflation and if we allow inflation to continue at its present rate, whether it is 9.1 per cent or 10 per cent, the fabric of our society and of our economic system will not survive. The people of Canada will simply not put up with an economic system and with a government that is unable to limit inflation. I think it was Lenin who said that if you wish to destroy an economic system first, you debauch the currency. That is what we are doing.

Some hon. Members: Hear, hear!

Mr. Gillies: Actually, the inflation problem will be solved and inflation will end in Canada at some time. It will come to an end in Canada in the traditional business cycle fashion. If we do not get inflation under control in this country, we will end up with a collapse of our economic system, a rise in unemployment, and a depression possibly of the dimensions and kind we have had in the past.

What can the people of Canada make of a government which states in the face of the inflation rate we have now that nothing can be done about it in the short run, although something might be done about it in the long run. The people of Canada will not accept such a proposition. What can the people of Canada think of a Prime Minister (Mr. Trudeau) who goes on a television program and says that there will be an increase in the cost of living in 1974 as high as in 1973. The implication of such remarks are that the people had better protect themselves against inflation because the government cannot protect them.

Some hon. Members: Shame.

Mr. Gillies: What are the people of the nation to think of a government that is not prepared to try hard to do something about inflation?

What is the government's excuse? The government says that it really cannot do anything about inflation in Canada because it is a world-wide problem. Certainly, there is inflation around the world. Every country in the world is suffering from inflation, but there is a fundamental difference between the inflation that is being experienced in Canada and the inflation experienced in many other countries of the world. We have isolated ourselves so far from the impact of the great increases in oil prices which are so inflationary in other countries, but more importantly our inflation, unlike inflation in other countries in the world, is not caused by the fantastic increase in the cost of our imports, which is the case in Great Britain, Japan and many other countries. The inflationary impact in our country caused by the world-wide inflationary situation is due to the increase in the price of our exports. This is something we could do something about, but we have not. So, to suggest that we have an enormous inflation in Canada because of world-wide conditions and to try to pretend we have the same problem as Britain or Japan is absolutely wrong.

If you look at the statistics on price increases in our imports, you will see that prices have been up about 8.2 per cent until the oil situation. The price increase of our exports is about 14.5 per cent, and of course the general increase in prices is about 10 per cent. No one can say that

if we want to do something about inflation we cannot do it because of world-wide problems. The reason we do not do anything about it is that we do not want to do so, we do not want to disrupt some of the patterns and traditions of the past. What we have decided to do is not to isolate ourselves in any way from the international forces that add to inflation in Canada.

● (1220)

What one would have thought would have been done a year ago, or two years ago, essentially was to allow our exchange rate to rise. But we did not do so. We kept the exchange rate floating with the American dollar, but it has been a very peculiar type of float, as the leader of the NDP likes to point out. It was a float designed to maintain parity with the U.S. dollar, because any time capital movements took place that might have changed the exchange rate, the money supply or the interest rates were changed.

When the U.S. dollar was devalued our dollar was also devalued, at a time when any rational policy would have been designed to slow down export demand in the face of rising prices. Instead, we assisted in increasing the demand by following economic policies which assured that the Canadian dollar would stay in parity with the American dollar. What we have done has been to allow the prices of our export products to rise domestically in face of world demand, and the government seems willing with some exceptions, to accept world prices on the domestic market. It has done nothing to slow down the demand situation by operating with a really flexible exchange rate, as one would have expected it to do.

We moreover, have not really looked at the question of whether or not our policy of exporting everything we can export, of trading for trade's sake, is really what we should be doing in this changing world. Surely, the message in the change of the Arab oil policy is that we have to begin to think seriously about the use of our non-renewable resources. Does it make sense in Canada today to sell our resources at the highest price to the highest bidder? Not only does this have enormous inflationary effects but it also raises the question of whether it is a moral position to take. Are we really prepared to let our resources go to the highest bidder? Do we really want the rich countries to become richer and the poor countries to become poorer because we are willing to let our resources go to those countries which can pay for them under any conditions?

The government contends that it will try to solve the inflation problem in Canada over the long run with some type of supply policies. Mr. Speaker, we remember our experience with the government's previous supply policies, with its policy of killing chickens to raise the price of eggs, and with its program in the west to reduce the production of wheat. If the Minister of Finance (Mr. Turner) is really concerned about supply problems, if he thinks supply is the answer to inflation, then why doesn't he do something about supply problems now? Why doesn't he slow down some of the exports of our raw materials? Why does he not have them processed in this country? Why doesn't he have a supply policy right now?

Some hon. Members: Hear, hear!

Mr. Gillies: It is absolutely wrong to suggest that inflation in Canada is induced entirely by external forces. That is not true. If we want to do something about the problem we can do it if we only have the will, the courage, and the imagination to move.

At the same time as we have had this failure to do anything so far as supply is concerned, we have followed a fantastic expansionary domestic monetary policy. By and large inflation is a monetary phenomenon. I completely and absolutely agreed with the member for York South (Mr. Lewis) yesterday when he made the statement that it is wrong to say that inflation is caused by increases in wage rates. It is not. The increase in the money supply, in the dimensions that we have experienced in the past few years, guarantees that we are going to have increased inflation. Over a period when production is being increased by 17 per cent or 18 per cent, you cannot increase the supply of money by 50 per cent without having an inflationary situation. You have to make a distinction between fiscal and monetary policies, a big distinction. But the government has never been prepared to make a distinction, to recognize that the impact of monetary policy is primarily on prices, and that the impact of fiscal policy is primarily on output.

It is quite conceivable that monetary and fiscal policies can work in opposite directions, but we have had inflation induced in this country by an increase in the money supply unmatched by any other industrialized nation in the world in modern times.

Finally, Mr. Speaker, the government asks people across this country to be restrained in their expenditure patterns and policies. But today, depending on how you work out the figures we find that the government, in a year when the inflation rate is 10 per cent, is increasing its expenditures by—pick your own figure—20 per cent.

Mr. Stanfield: Be fair; it is only 19.6 per cent.

Mr. Gillies: By 19.6 per cent. It defies the imagination. Doesn't the government really want to do something about inflation? To increase expenditures by that dimension in an inflationary period makes no sense at all.

The reason we have so much inflation in Canada is government policy. The government's own policy has created most of the inflation that we have in our economy. The question is, why do we have these absolutely ridiculous things going on? It is almost a psychological problem, but actually I suspect it is more of a political problem.

When you think about it, Mr. Speaker, the reason has to be that the government was so bruised by the policy it followed two or three years ago, a mistaken policy, of slowing down the economy to try to fight inflation—in the process creating 7 per cent unemployment, the highest unemployment rate in the industrialized world at that particular time—that it has frightened itself into following another mistaken policy. There is no question that inflation did slow down at that time, but as a consequence of that policy the government apparently has decided it can do nothing at all about the demand-management side of the inflation problem. It is so frightened that something may happen to the unemployment rate that it will not act. This makes no sense. If the economy moves up, with reasonably full employment, you get inflation if you keep

putting more money into the system, and if you keep on increasing government expenditure.

No one, least of all the party to which I belong, has any interest in trying to control inflation by creating unemployment. This would be a stupid and a morally improper policy; bad economically, bad socially and bad politically. But this does not mean that the government has to throw away one whole aspect for dealing with inflation as this government has done. The government is afraid to slow down any sort of excess demands in the economy and, as a consequence, inflation continues. It will continue in Canada this year even if it drops in other countries; it will continue because of the policies the government is following. It is creating inflation; you have to have some demand management policy or inflation will grow.

● (1230)

With a 10 per cent rate, it is inconceivable that we do not have some sort of demand-management policy. We have no supply-management policy, no demand-management policy, no exchange rate policy, no monetary policy and we wonder why we have inflation. The government is creating it and it will continue this year at a rate equivalent to last year.

My final point is that the inflation problem will not be solved in Canada unless we try to perceive Canada and the economy as it really is. Unless you perceive the nature of the structure of the economy within which you are operating, there can be no solution. It is important to see reality. What are the realities in the Canadian economy at the present time? What is the first reality? We are in the middle of enormous inflationary expectations in this country. Does anybody at all believe that we are today in an economy with normal expectations? Why is the price of gold at $185? Why is the cost of houses in Toronto increasing at the rate of 27 per cent or 30 per cent per year? We are in an economy that is operating on inflationary expectations. If you try to apply policies in this economy that are based on the assumption that expectations are normal, they will fail.

The first thing any government has to do is try to break such inflationary expectation? That is imperative. But the evidence we have had in the last two days gives no confidence that the government will even try. Anyone who reads the Speech from the Throne will have to conclude that it is a program for more inflation, not less. The Prime Minister says it is inevitable.

Second, it is imperative to look at the realities of the structure of the economy. We have made economic policy in this country, and other countries too, since the end of 1945 in terms of monetary policy, fiscal policy and so on, on the basic assumption that we are operating in a truly competitive economy. The reaction is anticipated from policies is the reaction expected in a competitive economy. We have not had that type of economy for a long time and we do not have it now. In a period of inflationary expectations where prices are established not primarily by operation of supply and demand but by administrative pricing decisions, what is going to happen? You are going to have escalating prices that perform no economic function in the system at all.

[Mr. Gillies.]

Does anybody in this House really believe that an increase in the price of housing in Toronto this year of 27 per cent generated a greater increase in the supply of housing this year than a 5 per cent increase in price would have? Does anybody believe that the profit reported today by corporations are necessary to generate new investment in the future? No. Why are these thing coming about? It is because there is no competitive force operating in many areas of the economy. Whether we like it or not, large portions of price setting are done on an administrative basis. There is no countervailing power. If we do not recognize this in the making of economic policy, there is no chance that economic policies will work.

What do you do under these circumstances? The first thing is to break the expectation and give an indication that the government is serious about fighting inflation. That is why in our party we have said that one of the first essentials is to try to gather everyone into the effort against inflation. We believe it is essential to have a short-term freeze on elements of the Canadian economy in order to indicate to the Canadian people that we are serious about doing something about inflation.

Yesterday the Prime Minister said that such a short-term freeze could operate successfully in the short run, although it created problems for the long-run. The director of the program in the United States confirms this view. No one really suggests that a short-term freeze is not successful in slowing down expectations and bringing a slowdown in the rate of inflation in a country. But everyone says that if you do not follow it with an incomes policy, an economic policy, a competition policy and so on, it will not work. They are right. At the same time, it is quite clear that if you follow only a monetary policy or fiscal policy alone, it will not work. What you need is the combination in the economy of an incomes policy, a monetary and fiscal policy, and an exchange rate policy developed together. A question is, are you better off to try to deal with the profit situation with an excess profit tax or some sort of incomes policy? It is quite clear that you are better off with an incomes policy, not only because of the fact that sometimes you can hide taxable costs, but primarily because what you are trying to do is not collect more revenue for the government but to keep prices down.

I was astonished yesterday when the Prime Minister said that he did not know what an incomes policy was. It is quite clear what an incomes policy is. You establish in your economy a permissible level for profits, a level high enough to permit continuation of investment in the economy. It is as simple as that. You do not have to have rates of profit increase by 30 per cent or 40 per cent in your economy to get new investment.

It is unfair for the government to say that they are going to ask everybody to do something about inflation when the government itself is not doing anything about it. It is spending more. It is not going to get effective action through voluntary controls. What you have to do if you want to get inflation under control is establish an incomes policy in conjunction with the private sector and in conjunction with labour and consumer groups.

Mr. Speaker: Order, please. Perhaps the hon. member might indicate what his conclusion will be because his time has expired.

Some hon. Members: Continue.

Mr. Gillies: You cannot expect, in a period of inflationary expectation when there is no competitive force operating, to get these prices under control. It will not happen. We must have an incomes policy. I have never heard anything like what the Prime Minister said yesterday about the effects of income policy on low income groups. The only thing I ever heard that was more outrageous was the suggestion that the NDP was not supporting the Carter tax reform. There is not one scintilla of evidence anywhere to suggest that an incomes policy works against people in low income brackets. How can a Prime Minister who presides over a government which has permitted inflation to take 10 per cent away from the people in Canada in the last year oppose an incomes policy on grounds that it is going to hurt low income groups. Such a suggestion is absolutely outrageous.

● (1240)

The fact is that inflation destroys people in the low income brackets. Under inflation, income is not transferred from high income to low income groups; it is transferred from low to high income groups. Inflation destroys the middle class and those in low income brackets, and to try to make a case for some political reason in this country that an incomes policy is going to hurt those in the low incomes brackets is absolutely ludicrous.

Mr. Alexander: It is irresponsible.

Mr. Gillies: It is irresponsible. If we do not have an incomes policy, these people in this country will be terribly hurt. They are being hurt, now.

Mr. Speaker: Order, please. I must inquire whether there is unanimous consent for the hon. member to continue.

An hon. Member: Two minutes.

Mr. Speaker: I must bring to the attention of the hon. member and of the House that we ought to recognize at least two more speakers between the present time and the time of the vote. Those members would include the hon. member for Shefford (Mr. Rondeau) and the Minister of Energy, Mines and Resources (Mr. Macdonald). We are running short of time.

Mr. Gillies: Thank you, Mr. Speaker. I feel very strongly about this issue. In conclusion, I say that we, in this House, cannot allow inflation to increase. We need not allow inflation to increase. We can put policies into effect which will lessen inflation in this country. We are not at the mercy of international whims in this matter. I believe that if members in this House are aware of the plight of their constituents and really want to represent the people of Canada, they will vote in support of the amendment of the Leader of the Opposition.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, having read and re-read the Speech from the Throne where several pieces of legislation are announced, and in view of that list of measures, we cannot now judge their value because we are not yet aware of their content and cannot say whether they will solve Canada's present problems.

I shall limit my remarks to the present economic situation in Canada and not to any measures in particular. I would also like, Mr. Speaker, to support my colleague, the hon. member for Lotbinière (Mr. Fortin) who has moved a sub-amendment in the House, yesterday.

Mr. Speaker, considering the almost utter confusion that now exists in Canada and on account of which all Canadians, and rightly so, do not know where they are going, everyone is asking himself the same question: Where are we going? What is going to happen with the prices rocketing as they do? What is going to happen with the inflation that the government had promised to check? We realize today its deplorable flop. It just poured more oil on that inflation blaze. Socialists look at the present inflation with satisfaction because it places all individuals on an equal footing, that of the poor, because inflation has reduced those who possess to the same position as the dispossessed ones.

Last Sunday evening, I was listening to the right hon. Prime Minister of Canada (Mr. Trudeau) on a CBC broadcast, as he was interviewed by a well-known socialist, Mr. André Payette, husband of a CBC employee, and who gets a salary of more than $75,000 a year. Mr. André Payette asked the right hon. Prime Minister what were his immediate objectives for 1974. The Prime Minister replied that he wanted the removal of social inequalities.

Mr. Speaker, to remove social inequalities in Canada there is no better way than the inflation we know at the present time. With inflation, social disparities will vanish because it will dispossess everybody and there will be no more social inequalities, because everybody will be in the same position, namely among the people dispossessed by the state and possessed by trusts and finance.

That is why the right hon. Prime Minister declared that he could not reduce inflation, first, because he is the servant of those who created inflation and secondly, because he wants equality for all through the removal of social inequalities and that in his opinion, the best way to achieve socialism is to let inflation dispossess everybody.

What will come out of the present energy crisis that was artificially created? To solve it, the federal government will give $400 million to the multinational corporations that created the artificial crisis.

● (1250)

Under the false pretext of shortages, multinational gas and oil monopolies will make in 1974 the biggest profits in their history while at the same time oil tankers loaded at full capacity cannot unload in the port of New York because tanks are full and because the governments which are at the pay of multinational companies sing the false song of artificial shortages.

What will happen, Mr. Speaker, with our savings which melt like butter in the saucepan of inflation? What will happen with these shortages of various materials which get more and more acute because our production system is eaten away by the cancer of finance and held tight in the tentacles of finance and monopolies? What will happen in April or May when farmers will have to borrow money

from banks at an interest rate of 12½ per cent to buy the seeds whose price will vary between $13 and $90 a hundredweight, and this in Canada, in a country producing various seeds.

Mr. Speaker, this spring several farmers will have no money left to seed and others will not want to seed anymore under such conditions. Next fall the products will still be rarer and more expensive, hence prices will go up more quickly than the useless cataplasms of a government walking on economic crutches.

Prices go up more quickly than pensions, allowances or salaries. Prices go up with the elevator while incomes climb up the stairs. From day to day there is an ever widening gap between incomes and costs and as those costs excede incomes, debts increase tremendously each day. The steering wheel of our economy is broken. We are told about the shortages of gas, oil, sugar and all the by-products of gas and oil. The United States are about to impose compulsory rationing; Canada, as a "good economic sheep", will follow suit the very next morning.

In view of this confusion, in an effort to cheer themselves up and excuse their ineptitude, the right hon. Prime Minister and hon. members of the Liberal party, walking on economic crutches, compare the situation in Canada with those which prevail in underdeveloped countries. They say that we should rejoice because our lot is better than those of India, Pakistan or Ethiopia. Canada is not deprived of rain or water. Our crops have not been destroyed by earthquakes or droughts. And yet, hon. members of the Liberal party are about to articially create an economic drought. Canada is not lacking in fertile land and Canadian farmers have known for a long time how to benefit from science, technology and progress.

In Canada, we no longer use pickaxes for farming. You surely have to be blind or an invalid with economic crutches to compare the economy of Canada with that of countries which have not yet reached a high level of science and technology and where the work and production methods are less advanced than those used in Canada in 1874. The Liberals are satisfied with comparing our economy with that of countries which have not yet reached the point of carts and horses. This truly shows their economic inability and shows that they are still using the economic methods of 1874, which means that they are at least a hundred years behind as regards technology.

Mr. Speaker, the beavers of Canada have not progressed in 100 years. They build their dams on our rivers and creeks in the same way as in 1874.

They did not make any progress from the point of view of the economy, production or working methods. However, in Canada, beavers are ahead of the Liberals from the economic standpoint because they are building dams. When the dams are completed, they do not owe one cent to anybody. They build dams without getting into debt. When the dams are completed, they own it without any debt with the bank. They have the assets without any liabilities. When they build a dam, they do not go to New York on a raft as the Liberals do by air to borrow so that they can build a dam. Beavers never had to discontinue the building of a dam as Mr. Bourassa did in James Bay for lack of money. The beavers can build without entering into debt whereas Mr. Bourassa and the Liberals can build only thanks to debts made in New York and elsewhere.

In 1974, the Canadian economy is under the total control of banks and monopolies which are branches of banks. The banks, their "economic tentacles", and the monopolies have completely destroyed our capitalist system of private enterprise in Canada. And yet some ignoramuses are still claiming that we are living under a capitalist system and take pleasure in denouncing a capitalist system which no longer exists.

A true capitalist system is a system under which anyone can become and remain the owner of a capital or any other asset, a system under which the government is encouraging everyone to remain the owner of some kind of capital.

Governments today, particularly the Liberal government in Ottawa, are doing their best to dispossess everyone to the benefit of banks and monopolies under the pretence of reducing social inequities.

We are living under a monopolistic system which in terms of economics is called economic liberalism.

In Canada, private enterprise is nearly bankrupt and the capitalist system has disappeared. It has been stifled by monopolies. Money and credit stem from and are controlled by banks and production is controlled by bank subsidiaries. The price of sugar is controlled by a world monopoly rooted in England. Food products, such as potatoes, fish, beef, even beans and pork are controlled by food monopolies that buy the whole production from producers who are financed and controlled by banks.

The potato monopoly, once it has taken over the exclusive control over all potato production, creates an artificial shortage of potatoes, increases and establishes prices, exploits consumers after ruining producers.

Jamaica is a sugar cane producing country. The whole sugar production is bought beforehand by the English sugar monopoly which exports entire ship-loads of sugar from Jamaica whereas the slaves who produce sugar cane do not even get one teaspoon of sugar to put in their coffee in the very country where this product is more than abundant.

The same thing occurs in Cuba, as well as in Jamaica since it is a banana producing country. Cuban people are loading ships with sugar to be exported whereas they have rationing coupons for sugar in their pockets.

In Canada, the same thing is happening with regard to potatoes. The same occurs in relation to fish in the Maritimes and British Columbia, and to wheat in the west, since a federal monopoly, namely the Canadian Wheat Board, controls the price of wheat and sells to communist China at a price that is three times cheaper than that paid by the poor Quebec farmer on the Canadian market. Canada is a wheat producing country and within a few days, bread will sell at 50 cents a loaf. Potatoes are now sold $10 a hundred weight, and sugar $30. In Cuba, that is called Communism. In Canada, they speak of economic liberalism. The difference between them is as follows: in Cuba, the government has an overall control, whereas, in Canada monopolies control everything including the government.

Banks have a monopoly over money and the creation of credit, and their branches, the monopolies, control the balance of our economy. We live in a monopolistic, not a capitalist economy. The 300 chairmen, presidents and directors of the ten Canadian chartered banks control as directors the 800 largest Canadian companies or multinational monopolies.

The Royal Bank of Canada alone increased its assets by $3,600,000 in the last 12 months. Its branch, the Royal Trust, a trust company, heads real estate transactions in Canada and the control over the security and bond portfolio.

The people built Canada and they own the liabilities, the debts. Monopolies handled the figures and own the assets. In face of the control over production by monopolies and the parasitic exploitation of producers by multinational monopolies there is a solution, Mr. Speaker, and it does not come from those who led us into the present confusion because they are part of it.

Social Crediters have the solution. Mr. Speaker, I would like to call it one o'clock.

Mr. Speaker: It being one o'clock I do now leave the chair. The House will resume at 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Rondeau: Mr. Speaker, I was saying earlier that Social Crediters have the solution to the problem of monopoly control in Canada. And this solution lies in the following principle, namely that any new production should be financed with new interest-free credits.

If this principle were applied, Mr. Speaker, the tentacles of monopolies would simply be cut off and they would lose all economic life-blood, namely the parasitic profits that they suck like bloodsuckers.

The application of this principle, would enable producers to remain in control of their production up to the consumption stage. They could then plan their own marketing while living off their products while waiting for consumers.

Producers would no longer be at the mercy of monopolies that buy up production at ridiculous prices in order to be able to pay their perpetual debt to the banks which own or control monopolies. If this principle were applied, monopolies would become useless for the same reason that a finance company does not do business in a district of millionaires where it would be useless. It could not do business for lack of customers to exploit.

Contrary to what socialists claim, it is not necessary to nationalize monopolies, and replace them with an even more dangerous state monopoly, because it would hide behind legislation and bureaucracy. If this principle were applied, producers could do their own marketing and dispose of their own goods by selling them directly to consumers.

There is no need to nationalize and control monopolies by creating price control boards appointed by them. You only have to remove the need for them. Anti-trust legislation is powerless against monopolies because it can easily be evaded and the firms found guilty of collusion can easily afford any fines that may be imposed on them by passing them on in the sales price of the next production.

We cannot either curb the monopolies, since until today they have subdued the producers and the governments whom they finance.

Mr. Speaker, when production is completed and ready to meet the consumers' needs, there is a delay between finished production and ordered consumption or sale to consumers.

Finished production is ready for consumption and is called inventory. Inventories account for billions of dollars temporarily capitalized of which monopolies only, as subsidiaries of banks, can bear the financial cost.

We have to look at what is going on in the various sectors of production to find that producers are at the mercy of monopolies which buy their products at a ridiculously low price and sell them on the market at an exorbitant price, for they have set themselves the prices, exploiting the producers when they buy the products, and the consumers when they sell the products for consumption.

● (1410)

This exploitation of producers and consumers by monopolies specialized in every production sector is one of the main causes of inflation. In order to remedy this situation, producers must keep control over their production up to the consumer's level if we want to achieve a good economic balance of prices based on competition which disappeared because of the exclusive control of monopolies specialized in every sector of production. Producers should not be at the mercy of parasitic monopolies which, through the credit they are provided by their "mothers", the banks, get rid of all competition during the period between the end of production and the start of consumption.

For instance, New Brunswick potato producers have like other producers plentiful crops and bank debts. As they cannot benefit from new interest-free credits to fund their new production of potatoes, sooner or later the bank manager ask them to reimburse their loan even before production gets to the consumer. I have seen myself buyers representing the potato monopolies being given all the credit they need by the bank and buying from the producers their potato crops at the price they choose to give since the producer is unable to compete for his loan makes him dependent on the banks. The same situation applies to maple syrup producers in Beauce or elsewhere.

Monopolies intervene autocratically between production and consumption. This is the reason why there is a tremendous rise in food prices at the consumer level. Monopolies take control over production and then control consumer prices. When production is ready for consumption it has become socialized since it can serve society immediately. It must be financed by a social credit, a new interest-free credit to enable the producers to live off their products while waiting for consumers and to prevent parasite monopolies from wedging in between producers and

consumers. That new interest-free credit would be reimbursed by the producer when he sells his produce.

Maple syrup and potato producers could organize themselves to sell their produce. All categories or groups of producers, local or regional, could do so.

That, Mr. Speaker, is true economic corporatism, healthy competition, real capitalism and private enterprise. Competition would be stimulated by enabling more producers to produce and small producers to compete with the large. Thus monopolies would become useless in the midst of producers, just as finance companies are amongst millionaires.

For example, a 1974 car built in 1973 is ready to be sold to a consumer in November 1973, while it is actually purchased in November 1974. A 14-month period elapsed between the end of production and the consumption or sale to the consumer. This means that the consumer must pay at least $700 in interest to the finance company which has financed the car when it was in stock, to say nothing of the financing costs incurred by the consumer who must buy on credit, which makes about $1500 in interest being paid for the financing of the car in stock before and after the sale to the consumer. The same applies to farm machinery and in all areas of any type of production.

The small efficient producers are at the mercy of monopolies. There is no more competition between producers, for monopolies have been set up between the producers and the consumers. Prices increase continually at the will of monopolies, and the producers, not earning a reasonable profit, stop producing. Products become scarcer, as is the case at present, and we find ourselves in a period of galloping inflation.

Economists looking for solutions on the mountain of problems of their own creation see the mountain and are up in the clouds, while the solution is under their very nose, but they took the solution for the mountain. They are looking for the solution on the mountain of problems, they are looking for the fly on the mountain although it is under their nose which they take for a mountain.

Mr. Speaker, if we had to find tomorrow a solution to our economic problems, it would be a nightmare for economists who are in perpetual search for a solution, for when the solution is found, they would have to produce goods instead of making or maintaining our economic problems. Economists, always in quest of solutions, would become unemployed unless they would direct their abilities and experience to more productive areas than that of creating problems, of causing the economic chaos in which Canada finds itself at present.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, first of all I would like to join the Leader of the Opposition (Mr. Stanfield) and other members to congratulate Their Excellencies Mr. and Mrs. Jules Léger on their nomination to this high function and to express them my best wishes.

I am convinced that like his predecessors, His Excellency Mr. Léger will distinguish himself as Governor General of Canada.

[Mr. Rondeau.]

[*English*]

May I at the same time express my congratulations to the urbane and eloquent hon. member for Spadina (Mr. Stollery), my neighbour from downtown Toronto when he is not in Central America, and also one of my electors I understand, who in moving the address made such a significant speech.

[*Translation*]

Let me congratulate also the hon. member for Sherbrooke (Mr. Pelletier), one of the foremost figures of this great Liberal team of the Eastern Townships.

[*English*]

This seems an appropriate occasion to review some of the events on the energy scene in the past year, and also to talk about some of the current problems which will be faced during the current parliament.

At this time last year, my department was busy putting the finishing touches on a report on the energy situation in Canada, a report which was published in June of 1973. Its analyses provided a basis of information upon which Canadians and this parliament could make some decisions about basic energy policy. It established a basis of understanding concerning the fiscal, economic and social characteristics of the Canadian energy system immediately prior to the world events which suddenly thrust Canada and the world into an energy crisis during the latter part of 1973.

This crisis, which is still underway, centres on world oil supplies and on the aspirations of the major oil exporting nations. For Canada's part, it has threatened supply shortages and greatly increased prices for imported oil. This crisis has, however, served to focus immediate attention on the importance of new national energy policies reflecting the federal government's responsibility to ensure adequacy and equity in energy supply and pricing in the interests of all Canadians.

The crisis has clearly demonstrated the duty of the federal government to take effective action to determine the balance of priorities between energy producer and consumer needs, and among the various regions of Canada. Fortunately, the energy policy study and the detailed analyses which went into it permitted the government to meet this mandate from a very considerable base of knowledge.

Commencing early in September 1973, a series of important policy initiatives have been taken to ensure both the adequacy and equity of supply for Canadians, as well as a degree of insulation from the international prices for oil, prices which have been dictated by the policies of oil exporting nations rather than by the customary economic factors of supply and demand. The federal government initiatives have not been limited to measures relating solely to the immediate oil crisis, but rather have extended into forward looking policies for all energy forms. Perhaps I might just briefly review these.

They have included a price restraint policy on Canadian crude which has benefited all our consumers of this oil and the manufactured products produced by industries based on Canadian oil; a price control mechanism on imported oil to ensure that only actual increases in purchase costs are passed on to Canadian consumers; the

extention of the Canadian crude oil pipeline system into the Montreal market area, which is underway, and a proposal has also been put forth for an all-Canadian pipeline in the future; an oil export tax has been imposed to ensure that the difference between the lower Canadian price for crude oil and its return from export markets flows back to the Canadian public through the federal and provincial governments; the establishment of an energy supplies allocation board to ensure our capability to respond rapidly and effectively to any future deterioration in world oil supply and the proposed establishment of a national petroleum company to expedite the search for and development of new petroleum resources. We have proposed, in that context, the expenditure of $40 million on oil sands research and technology to permit full and rapid development of that resource. The proposals have also included a system to use oil export tax revenues and federal funds to ensure that during the period to the end of March of this year there will be no widening of the east-west price differential on oil, and a proposal for a one-price oil system in Canada which, from the first of April this year, will keep Canadian prices at less than international prices but which will provide the revenues necessary to first find and develop new resources and to offset the higher costs of oil imported into eastern Canada.

● (1420)

An office of energy conservation has been established to develop short and long-term plans for a more prudent and efficient use of our energy resources. A federal government task force has been set up to ensure an effective system of establishing and following priorities for research and development of new energy sources and improvements in existing technology. Federal financial assistance has been offered for the development of stronger regional electric transmission links to improve security of supply and to minimize utility costs.

Federal financial support has also been offered for the first nuclear power unit in any province, and for a second unit if regional benefits and security of supply result therefrom. A new export policy for uranium has been proposed, designed to ensure future Canadian supplies and to obtain the maximum possible benefit from exports. Programs have been proposed to speed up the development of a national inventory of our uranium resources so that this work would complement the on-going appraisal programs of oil, gas and coal resources.

These and other measures have the ultimate objective of Canadian self-reliance in the energy context. With the assistance of the petroleum industry in Canada, it has been possible to overcome the short-term supply problems this winter, and the longer range measures which have been announced will increase our degree of self-sufficiency in the future.

We recognize that increasing energy costs will be difficult to avoid. But the measures which have been taken on oil costs have had the effect of avoiding a 12 to 14 cents per gallon price increase in fuel oil and gasoline east of the Ottawa valley, and a possible 20 cent increase across the country, had international prices been allowed to prevail in Canada. Pricing proposals for the period commencing April 1 will allow the price increases which are necessary to ensure future supplies, but will establish a pricing structure across Canada which will vary only as the result of transportation costs.

Both for the present and for the period after April 1 Canadian consumers must be protected from the tax increases which have been imposed by governments of the producing countries. The purpose of the price cushion will be to protect from such increases and not more. It will not, in particular, be permitted to secure a higher margin of profit to the refiners. So that while the higher cost paid for crude oil by the refiners due to foreign taxes will be reimbursed, particular care will be taken to ensure that public funds are not used to do more than cushion the consumer against such costs.

For the purpose of authorizing such payments in the February-March period, my colleague the President of the Treasury Board (Mr. Drury) will be bringing forward a supplementary estimate to cover this period. Of course, in the period from April 1, following discussions with the provincial government, further legislative measures will be put forward to provide this same cushion.

All of the measures which have been taken have had to be compressed into a much shorter time frame than we would have liked. At the time of the publication of our energy report, I outlined plans for a phased transition allowing ample time for full discussion and debate of the options available to us. But because of pressure of external events we have had to move quickly in some cases, and we still remain in a position of some emergency in dealing particularly with the question of price.

This brief review of recent events relative to energy supply and demand in Canada and of the policy actions being taken by the federal government is made at a time of unprecedented change in the country's energy economy.

Mr. Diefenbaker: Would the hon. minister permit a question at this point?

Mr. Macdonald (Rosedale): Mr. Speaker, I have only a few minutes.

Mr. Diefenbaker: Just one short question. What is the estimated cost, the amount that will be in the supplementary estimate to cover the particular expenditure to which the minister has referred?

Mr. Macdonald (Rosedale): I must say to the right hon. gentleman that this will depend on the actual tax cost imposed by the various sources, but we are talking of a sum that will not be lower than $240 million for the two-month period. Depending, as I say, on what the tax cost from the exporting countries will be, it may be as high as $300 million, perhaps even more.

The Prime Minister (Mr. Trudeau) noted in his opening statement on January 22 at the first ministers conference on energy that not since the world collapse of 1929 has an economic event struck so quickly and on such a scale, or produced so potentially dramatic a difference in the lives and fortunes of Canadians in different parts of the country. The more than fourfold increase in the world price of oil in such a short period of time has had even greater impact on most other countries of the world. An event of such magnitude, above all, highlights the federal responsibility to act fairly in the interest of the national economy

and to ensure a just distribution of opportunity throughout Canada.

In meeting this responsibility, the federal government must not let so much of the gigantic new revenues associated with greatly increased oil prices accrue in one region that equality of opportunity and reduction of disparity become impossible in Canada. It is for this reason that a portion of the new revenues is being used to cushion the impact in eastern Canada of the huge increases in oil import costs, thereby assisting eastern Canadian consumers. This is in keeping with the objective of our Canadian community of sharing the benefits and the burdens of any such price or supply change so sudden and so great that it could seriously disrupt the national economy. The task is a major one, requiring the full co-operation of all provincial governments, but at the same time recognizing the federal government's mandate to develop and co-ordinate policies that directly affect the lives and welfare of all Canadians.

Taking this problem from the national context and putting it into the broader world context, I should like to refer to certain consultation that I have had during the past months with governments of oil consuming countries, particularly the United States and the United Kingdom, and with the two largest Middle East producers, Saudi Arabia and Iran.

As for the Middle East, my conversations there had two main purposes: first, to explore at first hand the factors which could affect the future price and security of supply of OPEC oil; and, second, to explore the interest of Middle East nations in nuclear energy and, in particular, the CANDU nuclear system. On the surface it may appear odd that oil rich nations would show an active interest in energy created out of nuclear power, but it represents a recognition on their part of the finite nature of hydrocarbon resources, a recognition which makes it attractive for them to move now to develop an electrical supply system that is not dependent on petroleum.

With regard to these conversations I can report briefly as follows. Regarding security of supply, I have received assurances that Canada is not on an embargo list and that the Arab nations do indeed recognize the different character of our oil supply and oil dependency situation.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): The price trend for oil, however, is not at all clear. Some nations, notably Saudi Arabia, appear sympathetic to the need to move back somewhat from the present price levels at the international level, but others maintain that there is a need for further increases before the true market value of this commodity is reached.

At this point in time it is rather difficult to predict what will be the outcome of the discussions on the international price of oil. The OPEC members will be meeting around the middle of March, both for the purpose of discussing the price level that they will observe after April 1 and also for the purpose of concerting their position in relation to the meetings of the United Nations General Assembly and possibly discussions with the oil consuming nations.

The dramatic increase in international oil prices has, of course, been of serious consequences for every importing nation, but most serious of all for those developing countries which are not themselves oil producers and which run the risk of seeing at one stroke the progress they have made through development assistance lost because of an increase in the price of oil. The Shah of Iran has recognized these difficulties.

[Mr. Macdonald (Rosedale).]

● (1430)

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member—

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): —but pursuant to a special order made earlier this day, it is my duty at this time to interrupt the proceedings and put the question on the amendment to the amendment. All those in favour of the subamendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on the amendment to the amendment Mr. Fortin which was negatived on the following division:

● (1440)

(Division No. 1)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre
Arrol
Baker
Balfour
Bell
Blenkarn
Boisvert
Caouette (Charlevoix)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Danforth
Darling
Dick
Diefenbaker
Dinsdale
Dionne
Ellis
Epp
Fairweather
Fortin
Fraser
Gauthier (Roberval)
Gillies
Godin
Grafftey
Hales
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Holmes
Horner (Battleford-Kindersley)
Hueglin
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
La Salle
Lawrence
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Cape Breton-East Richmond)
MacLean
Macquarrie
Madill
Marshall
Matte
McCain
McGrath

Messrs.

McKenzie
McKinley
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Neil (Moose Jaw)
Oberle
O'Sullivan
Paproski
Patterson
Reynolds
Rondeau
Schumacher
Scott
Stanfield
Stevens
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Towers
Wagner
Whittaker
Woolliams
Yewchuk—83.

NAYS

Messrs.

Allmand
Andras
Barnett
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupras
Duquet
Ethier
Faulkner
Fleming
Foster
Fox
Gauthier (Ottawa-Vanier)
Gilbert
Gillespie
Gleave
Goyer
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Lang
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Marceau
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Richardson
Rodriguez
Rompkey
Rooney
Rowland
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whicher
Yanakis—125.

● (1450)

Mr. Speaker: I declare the motion lost.

Mr. Macdonald (Rosedale): Mr. Speaker, immediately before the decision just taken, I was discussing the reaction on an international basis to certain discussions we had with regard to the oil price and supply question. I had referred to the difficulties that the developing countries, which are not themselves oil producers, have in meeting the drastically increased cost of oil and had started to make reference to proposals which the Shah of Iran has put forward. His first proposal was for a bilateral credit to assist India in the difficulties it will have from the balance of payments standpoint in meeting its obligations for oil. The second proposal was put to the managing director of the International Monetary Fund and to the President of the World Bank. It was to set up a special fund for the purpose of defraying the expenditures, and thereby helping the developing countries with their balance of payments problems.

In general terms, the producing countries that I visited looked with some hostility on the meeting which took place among certain members of OECD and Washington—

Mr. Stanfield: Could the minister indicate whether this would be a loan to the developing countries—

The Acting Speaker (Mr. Boulanger): Order, please.

Mr. Stanfield: Would this be a loan to the developing countries or a grant or what?

● (1500)

The Acting Speaker (Mr. Boulanger): Order, please. Before we hear the minister, I think I should say that we ought to proceed in good order. I do not intend to refer to anybody in particular; however, if any member wishes to ask a question he should always address the Chair.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Speaker, I am obliged to the Leader of the Opposition (Mr. Stanfield) for the question. The assistance to India will be a long-term soft loan, a credit, in effect, which in due course would be repayable. The proposal with regard to the fund would be, in essence, on a grant basis. The shah's proposal is that the 12 OPEC countries, the 12 developed countries plus 12 to be selected from among the recipient developing nations, would form the board and that the first two groups, that is the OPEC countries and the consumer countries, should be responsible for annual contributions to the fund, contributions which could aggregate about $3 billion. These could be used on a grant basis for assisting developing countries with specific projects. Of course, there would be certain balance of payment benefits associated with these as well. We understand that we shall be hearing further from the Iranian government and from the officials of the International Monetary Fund and the World Bank on this question.

Rather than reducing the international oil price, the Iranian government would propose to use some of the benefits derived from the higher prices for the purposes of providing this kind of assistance. In this respect there is a difference of opinion between the producing nations. The view of the government of Saudi Arabia, as expressed by the minister of petroleum in that country, is that the price should be reduced. At this point it is difficult to say what the outcome will be, except that there will be a meeting of

the OPEC nations about the middle of this month. We may then obtain a better indication as to whether there is any prospect of the price being brought down, a move which in general terms this government would favour.

My visit to the oil producing countries came at a time when there was an announcement by several of the developed countries of bilateral barter deals with the oil producing countries. Canada has supported the viewpoint that in the long run, barter deals favour the strong against the weak, that is to say, favour the developed, industrial countries which have the means to secure oil, against the weaker, developing countries which do not have the same advantages. It is for this reason that I did not seek any kind of barter arrangement with the governments to whom I spoke, whether with respect to exchange of nuclear technology or any other technology.

The CANDU nuclear technology which we have developed is receiving very widespread interest among countries planning nuclear development. Recently, the British government decided to examine the possibility of purchasing nuclear power systems from foreign sources in the light of less than satisfactory results from several varieties of reactors developed in the United Kingdom. It was on that basis, and with the support of the Ontario minister of energy and officials of AECL and Ontario Hydro, that we took the opportunity of the House being in recess to press the case of the CANDU reactor on British ministers and officials.

A decision on this question has, of course, been postponed as a result of yesterday's election, and perhaps postponed for longer than we thought at the time, but we anticipate that within a matter of months a decision will be taken whether the British will proceed by way of the light water, essentially American reactor, the steam-generated heavy water reactor which has been developed by the British themselves, or possibly the CANDU system.

We stressed with the British officials the industrial opportunity which CANDU offers, not only in British and Canadian markets but in third world markets where it has an industrial potential. The low operating costs and independence of natural uranium supply are distinct pluses in favour of the Canadian system. We presented the same argument to the shah and officials of the government of Iran. That country is planning the development of no less than 20,000 megawatts of nuclear power, a development which would seem to give Canada a first-class opportunity to penetrate that market in years to come.

Turning to the international scene, hon. members will also be aware of our recent and ongoing meetings with energy officials of the United States on both a bilateral and multilateral basis. As a result of these exchanges, I feel that the views and particular problems of the respective countries are better understood and appreciated than they were before. As we enter a period of scarcity of energy around the world, it is critical that the United States as well as other major energy consuming nations recognize that the Canadian resource base is not the panacea that some tend to think it is. We must not confuse resource potential with proven and economic reserves of energy in this country.

We must also take into account the tremendous challenges that would be posed to the Canadian economy by financial, labour and materiel needs in developing our resources. I think this is generally recognized in the United States. I think, at the same time, that we have indicated our willingness to assist in so far as these limitations will permit us to do so.

I should note here that the upcoming United Nations special debate on primary commodities will present an opportunity for member nations to put forward their views on the size of the world resource of such materials and also how they should be husbanded in the face of rapidly escalating demand. I hope the debate will focus on the present wastage of these resources and the extent to which conservation measures will soften the future shock which we face.

May I now say a few words on the subject of the national petroleum corporation. As the House knows, the Prime Minister (Mr. Trudeau) announced last December 6 this government's intention to establish such a corporation. We feel that events since that announcement have strengthened the argument for such action, and enabling legislation will be introduced as soon as possible in this session. While the major thrust of this corporation will be in the form of exploration in the frontier areas, we are of the view that it should also contribute to the development of the large petroleum resource existing in the Athabasca oil sands both through mining techniques and through in situ extraction methods. Developments on the world oil scene over the past few months have also highlighted the potential role of such a corporation in future if government to government dealing becomes the customary manner of securing oil supplies from overseas.

I should like to clear up some misunderstanding which may have occurred following the Prime Minister's announcement regarding the $40 million which will be provided for research and development on the oil sands. The suggestion has been made that the $40 million represents the government's maximum financial commitment to the corporation. But that is for the oil sands research only. It is anticipated that as the corporation develops, the investment of hundreds of millions of dollars will be required over the early years of its operation. The government looks to this corporation to increase the Canadian presence in the petroleum exploration business and, subsequently, in petroleum production.

The corporation will, in addition to its own exploration activities, seek to participate by way of joint venture with smaller, Canadian-controlled firms which currently find it difficult to sustain the costly and lengthy exploration effort that is required, particularly in frontier areas. It may also, if appropriate, acquire firms currently active in the oil industry in Canada. Foreign investors have not been, and will not be discouraged from making investments in this industry, either alone or in co-operation with the new corporation, so long as they are compatible with Canadian interests. Canada does have, however, the financial and other capacities necessary for a more significant role in the exploration and development of its oil and gas resources, and this corporation will advance Canadian involvement in this particular area. The required investment will in due course lead to the development of more wealth in the hands of Canadians.

A final word of caution is this: the development of oil resources, particularly in the frontier areas, is an operation not free from risk. The government has enjoyed some success from its investment in Panarctic, but it should be understood as well that there will be some losses from exploration. Results cannot be expected overnight, but we expect that over the longer period of time a substantial contribution can be made both to Canadian incomes and security of energy supplies for Canada by the establishment of such a national petroleum corporation.

I express my appreciation to the House, Mr. Speaker, for allowing me to complete my remarks after the vote.

● (1510)

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, just slightly more than a year has passed since the government presented its first throne speech of the twenty-ninth parliament of Canada. Being a new member at that time, I found the words of wisdom reassuring and positive and for a while had indeed thought that a minority government would truly be an effective one. At that time I listened with great interest, and even a bit of hidden enthusiasm, to the promises made but never delivered. It seems that the government probably borrowed the advertising gimmick so cleverly stated by the hon. member for Prince Edward-Hastings (Mr. Hees) last year, "Promise her anything, but give her Arpege," and used poetic licence and changed it to, "Promise them everything, but give them inflation". Therefore, I have absolutely no reason to believe that any of the promises, though they are not nearly as far reaching, made in this week's throne speech by the same government will ever be initiated, let alone carried out.

As we all know, inflation is a very serious problem. As a matter of fact, it is the number one priority as far as this party is concerned. To have inflation rise at an astounding rate of more than 9 per cent in the last year proves that either the Prime Minister (Mr. Trudeau) and his government do not consider inflation to be their top priority, or they are obviously unable to cope with the problem, or both. Inflation affects every Canadian from coast to coast. When the government continually fails in any manner to effectively attempt to control this cancer, and when this same government continues to govern in its all too obvious arrogant manner by not even considering valid suggestions made by the opposition, one gets the feeling of corruption and immediate change is necessary.

In the meantime, however, Canadians continue to see prices rise astronomically, meat becomes a luxury, housing almost put beyond reach of the ordinary person, while income taxes take a bigger and bigger slice of their pay. Government staff is increasing daily. Empire-building is rampant. Budgets are being prepared as if there is no end to the tax money available and every consumer in this country is being forced to pay for the short-sighted policies that have become all too commonplace in the Liberal government.

As I have pointed out, the inflation problem is of top priority within this party and as well is of grave concern to every citizen of this country. I could continue on this subject at length, but I would only be repeating what our leader so eloquently stated in this House yesterday, and the hon. member for Don Valley (Mr. Gillies) earlier this afternoon.

This government not only promises legislation which it seldom delivers, but even more, they are known for their grandiose announcements, creating as much fanfare as possible. There could be no better example than the most impressive ceremony on April 15, 1972, at which the Prime Minister and the President of the United States signed the Great Lakes Water Quality Agreement here in Ottawa. It was designed to restore and protect water quality in the Great Lakes and the rivers which flow into them.

Let me point out that because of the fact my own riding of High Park-Humber Valley lies on the shores of Lake Ontario, and because the once clean Humber River flows majestically through it, bringing waste, filth, as well as poison into the garbage dump which was once beautiful Lake Ontario, I can state very emphatically that the agreement signed by the heads of these two great nations seems to have become a joke which falls into the same category as most of the other Liberal promises.

This agreement, among other things, was to have programs in place by 1975 designed to achieve its objectives. It was to have achieved completion by 1975, in all municipalities, of effective waste treatment facilities, including phosphorus removal, strengthening of regulations to control discharge of sewage, garbage and other waste. We are all aware this has not been the case, unfortunately, and the individual who knows this better than anyone else is the Minister of the Environment (Mr. Davis) who himself took part in that great flag-waving ceremony in the spring of 1972.

Somehow, due to inflationary problems of this country, pollution has taken a back seat in importance and it seems that all attempts for improvement have failed to materialize. I have tried on numerous occasions to bring this serious problem to the attention of this House on behalf of my constituents as well as millions of concerned Canadians who find it harder and harder to live by our waters. For example, on October 17, 1973, I asked the Minister of the Environment if adequate staffing and funding would immediately be provided for the proposed clean-up, as the IJC had admitted the lack of same, and if he was prepared to accelerate steps to prevent the continual discharge of water pollutants into the Great Lakes before it was too late. The minister's answer was typical; he said:

Yes, I am glad to give the hon. member that assurance.

That was more than four months ago, and to this date we have had no improvements whatsoever. Rather, we are witnessing a continual deterioration of the whole situation, not only on the American side but, unfortunately, here in Canada as well. Immediate steps must be taken in order to curb the deplorable infection of our Great Lakes and rivers by adequately staffing and funding organizations established for the proposed clean-up; and the government must, along with the United States, step up its originally scheduled program.

Over a year ago during the election campaign I, along with every other Conservative candidate, stressed the displeasure of the majority of Canadians at the very high and unacceptable unemployment insurance deficit. As recently as last week I sent out a questionnaire to my riding with

two questions regarding the Unemployment Insurance Commission. They read as follows:

1. Do you believe that the Unemployment Insurance Commission is functioning satisfactorily?

2. Do you believe that there should be a full investigation of the Unemployment Insurance Commission operations?

The answer was an overwhelming 99 per cent against the Unemployment Insurance Commission functioning satisfactorily, and 99 per cent favouring a full investigation into other operations of the Unemployment Insurance Commission. I have received over 1,500 replies to date, Mr. Speaker—1,500 Canadians from every walk of life and every political party from my riding, alone. I am satisfied that this statistic speaks for itself.

Again, as our leader has already made public, an inquiry into this whole matter is needed, one which really gets to the grass-root problems. Like most Canadians, I am sick and tired of the fact that the government continues to allow individuals to take advantage of the plan at the expense of the workingman and that it is virtually handing out unemployment and welfare money on a silver platter. I am sick and tired of the fact that a $500 million deficit or more is now estimated, up from $174 million at the end of 1972. The need for improved legislation in this field is of prime concern to virtually every Canadian who is fed up with the free-loaders and welfare grafters who continue to sponge off the honest toils of honest men.

During the past year our party has continually attacked the government on this matter, hoping that promised legislation would finally be enacted. In fact, legislation dealing with this very matter was prepared, with the promise of a tighter and tougher Unemployment Insurance Act. However, at the request of the NDP and because of the Liberal need to bow to their every wish, those plans were withdrawn and shelved indefinitely. This was only because of the fear the government has of offending the hon. member for York South (Mr. Lewis) and his pack of followers and losing their support.

These are but a few of the priorities facing us today, with inflation heading the list. I could touch on numerous other important matters that are of great concern to Canadians, such as the energy crisis, the abortion issue, drugs, alcohol, housing, and so on. However, as the spokesman for this party on matters relating to physical fitness and sport, I would be remiss in this obligation if I did not dwell on a matter of vital importance concerning the 1976 summer Olympics to be staged in the city of Montreal, specifically the obvious discrepancies surrounding the awarding of the American television rights by COJO.

Let me preface this statement by once again reiterating this party's support for the games. We believe now, as we did when the Olympic financing bill was finally passed, that there is a great opportunity for Canada and Canadians to benefit by hosting this prestigious international event. We must remember that the Olympics belong to Canada. They can reflect Canada to the world and they can bring to Canada a sense of pride and unity.

There can be no question that the initial stage of the lottery and coins sales are showing signs of success. I would like to take this opportunity to compliment those involved for their efforts and wish them continued success, in particular Mayor Drapeau without whose initiative the whole new Olympic concept could not have been initiated.

As I have pointed out on numerous occasions, it is not the intention of this party to wash its hands of financial responsibility and to sit idly by and permit federal funds to be in any way wasted or mishandled in the staging of this event. It is our firm and absolute intention to remain as watchdogs for the taxpayer. It was for this reason that on January 11 of this year I moved in the House a motion having to do with statements that the contract for television coverage involves an alleged gain by the Quebec Liberal Party.

● (1520)

On the same day I asked the Prime Minister to initiate an investigation into the many discrepancies and allegations surrounding the contract. The Prime Minister's reply was that it was not his government's responsibility. I hear members of the NDP yelling from my left that we voted in favour of the Olympics bill. Obviously they did not listen to that part of my speech in which I asserted earlier that this party supports the Olympic idea and believes in it, as it did when the financing bill was passed.

In fact, we support the Olympics taking place in Montreal. Personally, I believe Montreal to be the city best able to cope with the multitude of circumstances which arise during the staging of games. However, I want to remind the government and the NDP that more than a year ago I suggested decentralizing some of the events so that we could utilize existing centres, thus saving millions of the taxpayers' dollars while at the same time giving thousands more Canadians an opportunity to participate.

As I was saying, when I asked the Prime Minister to initiate an investigation he replied that it was not his government's responsibility. Mr. Speaker, it is inconceivable that the Prime Minister would even dare suggest that the federal government has no responsibility in this matter and that it falls under provincial jurisdiction.

Let us consider briefly the history of the awarding of the Olympics to Canada. As far back as May 21, 1969, the Prime Minister wrote a letter of acceptance to the International Olympic Committee welcoming the games on behalf of all Canadians. The position taken by the International Olympic Committee when in receipt of such a letter of government approval is that the signature implies previous knowledge of the financial planning of the games as well as of national financing plan where necessary. From that date until today, everyone connected with the Olympics, including Commission-General Rousseau, has stressed that the 1976 games do not belong solely to Montreal nor, indeed, to the province of Quebec, but that they belong to all Canadians and to all of Canada.

Is the Prime Minister now saying the federal government is absolving itself of all responsibility toward ensuring the success of the 1976 Olympics? What about the federal facilities COJO is utilizing in connection with the games, including the Post Office, the Mint, security personnel and immigration offices, not to mention the financing bill or the host broadcaster, the CBC, which alone has a budget of more than $50 million? These are all federal agencies directly connected with the government and provided for the use of COJO and, therefore, for the Olym-

pics. Certainly the use of any one of these branches is sufficient to warrant federal supervision, if not direct control, during the games.

In these circumstances, members of this House as well as taxpayers generally are entitled to a more responsive and accurate reply from the Prime Minister. The fact that the federal government has committed more than $100 million of taxpayers' money to COJO, apart from the financing bill, means beyond doubt that the government must show concern and leadership in any of its dealings with COJO or in any involvement undertaken by it.

Now let us consider specifically the facts surrounding the signing of the television contracts for exclusive rights by the American Broadcasting Corporation to televise the games. Facts suggesting impropriety abound in this whole matter. One of the prime reasons for holding an investigation would simply be the manner in which the entire contract was negotiated by COJO. Were any other department or agency involved in a similar matter, the people responsible would immediately be discharged. The fact that no tenders were called should be sufficient ground in itself for holding the federal inquiry. But there is more.

Consider for a moment the chronological events surrounding the final awarding of the rights. The fact that no competitive bidding took place is a matter of record but, ironically, as late as December, 1972, both CBS and NBC were told by Rousseau and Desrocher that there was to be bargaining in good faith for the television rights. Yet the record will show that as far back as late November, 1972, the ABC and COJO had in fact settled on a $25 million agreement with respect to those rights. On December 14, 1972, almost one month later, CBS received an invitation from Desrocher to attend a meeting in Montreal to discuss bidding which would take place on December 20 and 21 of that year. On the same date, NBC was meeting with Mr. Rousseau in Montreal to discuss the same contract negotiations for the 20th and 21st of that month. Both CBS and NBC were not only prepared but eager to bid on the rights for these games. I quote from a letter addressed to me by CBS television network dated February 13, 1974, and signed by the vice-president, Sports, William C. MacPhail:

> The CBS television network was very much interested in the U.S. television broadcasting rights to the 1976 summer Olympic games to be held in Montreal. We had numerous contacts with the Olympic Committee—written and oral—notifying them of our interest in the acquisition of these rights.

I will come back to that letter in a minute or so. Up to this point there had been no agent on the scene and negotiations had been conducted directly between ABC and COJO. However, one Marvin Josephson of International Famous Agency of New York city came on the scene, and the American Broadcasting Corporation found it was no longer dealing with COJO directly, as in the initial stage, but was dealing with an intermediary in the person of Mr. Josephson. So let us consider these facts. First, an agreement had already been signed in secrecy between ABC and COJO without an agent.

An hon. Member: Secrecy?

Mr. Jelinek: Yes, secrecy. It was not announced. As a matter of fact, it was even denied by agents of COJO. Now an additional fee of $375,000 is paid to Josephson, an American, to negotiate a contract which has to all intents and purposes already been negotiated.

An hon. Member: Shame.

Mr. Jelinek: Later, Mr. Al Eagleson, a well known lawyer from Toronto who had just successfully sold the television package covering the Canada-Russia hockey series, as well as other sports events, protested the fact that an American agent had been given the right to negotiate on behalf of COJO, adding that he as a Canadian would have done it at no cost to COJO. It is ironic that at no time did COJO or ABC or any of the networks seek the services of Mr. Josephson in their negotiations or, for that matter, of any other agent to act on their behalf.

It is imperative that the federal government investigate the connection between the entrance of Mr. Josephson on the scene and the fact that the chief negotiator for the TV rights was one Mr. Paul Desrocher, a well known financial agent for the Quebec Liberal provincial party. Mr. Desrocher, chairman of COJO's subcommittee on television is also, coincidentally, chief organizer for the Quebec Liberal Party and Premier Bourassa's senior adviser. Add to this the fact that it was imperative for Josephson, as a matter of prestige, to secure this coup on behalf of his company, if it was to break into the sports field—something it had never done before—and that the making of money was secondary to the actual gaining of the contracts. This is what he told me face to face in an interview I had with him recently.

In light of this development and my suspicions regarding Josephson based on further comments by numerous sources in Quebec, I took the liberty to write a letter to ABC dated January 30, reading in part as follows:

> I believe that at no time were the negotiations conducted by ABC in obtaining the exclusive television rights ever shady or illegal or in any way improper. I do, however, want to reiterate my belief that somewhere along the line, funds did in fact find their way into the Quebec provincial Liberal coffers as a result of the completion of this contract.

Prior to the meeting which was to have been held in Montreal on December 20 and 21, CBS was informed that ABC had signed a contract and that it was pointless for them to show up in Montreal. I have a letter here from the CBS television network signed by the vice-president, Sports, William MacPhail. It reads in part as follows:

● (1530)

> In December of 1972 we were informed that a meeting would be held in Montreal with COJO for the purpose of negotiating. Later we were informed that COJO had set dates of December 20 and 21 for these meetings. On December 19 we were informed that a contract had been negotiated and signed between COJO and ABC. In view of this, we deemed it inadvisable to attend the meeting and so informed COJO.

I want to stress the point that Mr. MacPhail makes here in respect of this contract that had been negotiated and signed between ABC and COJO before December 19. Three days previous to this, on December 16, NBC was notified by COJO and ABC had indeed received the rights that all three major U.S. corporations had originally been invited to bid on, yet COJO, weeks after the agreement was finalized, had the audacity to pretend to stage a charade, open-bid meeting knowing as a fact that an agreement had been finalized with ABC. As a result of

this, NBC sent a long telegram to Lord Killanin, president of IOC, on December 19 outlining their position and their concern regarding the mishandling, in their opinion, of this entire matter. Lord Killanin eventually stated:

Future television negotiations will be conducted jointly by the organizing committee and the IOC board.

We must keep in mind that up to this time the organizing committee has done all the negotiating on its own throughout the history of the Olympics. Then we have the public statement by the vice president of ABC of last Friday, as follows:

If I am to criticize the Montreal organizing committee on any part of it, it would be over not immediately announcing the contract when we reached first agreement almost a month before the announcement.

Much earlier the NBC made the following public statement:

NBC continues to believe that the procedures used to award American television rights to the 1976 Olympic games are contrary to the best interests of the people of Canada, and the American television audience and the games themselves. The organizing committee's unwillingness to follow the procedure of open bidding raises serious questions which are still unanswered.

Finally, on January 3, after all these contradictory statements, a joint announcement was made by COJO and ABC announcing that officially ABC had been awarded the television rights to the 1976 Olympics, notwithstanding the fact that the ABC board of directors in November, 1972, had approved the $25 million fee for Olympic coverage, which also was approved by COJO, subject to certain conditions that had not yet been completely finalized.

In an article published in the Montreal *Star* in the latter part of January, 1974, serious allegations were made concerning a request of direct payment of money to the Quebec Liberal Party for the rights to negotiate the television contract, as well as an NBC internal decision to bid considerably higher than $25 million. Most assuredly, statements with such serious implications are not made without regard to factual sources and to this end I quote an affidavit by the author of the Montreal *Star* article. It is as follows:

I, John Robertson, am willing to testify to the accuracy of all statements, including those attributed to others, carried under my byline in the Montreal *Star* in columns and news stories involving the sale of the North American TV rights to the 1976 Olympic games to the American Broadcasting Company.

Beyond this, Mr. Robertson in his own investigation over the past year has documented evidence to support most of the allegations I have brought forward. His documentation on its own proves beyond doubt that serious irregularities did indeed take place. Statements that moneys did in fact find their way into the Quebec Liberal coffers have been made by more than one source, including numerous statements made to me; but no documented proof regarding this matter has been made available.

To those critics who insist that total proof be brought forward before an inquiry is conducted, let me answer by saying that if we had all the proof, the inquiry in order to get to the full truth would not be necessary. There is just so much that any private individual can do without a public investigation. Quite obviously, I do not have the power to subpoena records and I do not have the power to call witnesses to testify under oath. Without these powers we cannot have definite proof, and a shroud of suspicion will remain over this entire affair. I have proof, however, that not only did COJO sell the rights to ABC without open bidding; they also gave them a separate agreement guaranteeing that they would be able to match any competitive bid within 30 days in the event bidding did take place.

By far the most serious piece of documented evidence I can provide is the fact that two top officials of COJO as late as December 14, 1972, some weeks after ABC had secretly acquired the rights, personally invited both NBC and CBS to come to Montreal to bid for the rights when indeed they had in fact already been sold. I repeat, the fact that they had planned to conduct this charade is proof enough that COJO tried to cover up after selling the rights secretly in order to create an illusion of open bidding.

The facts here are obvious and speak for themselves. I have made very clear the federal government's responsibility in this matter, particularly as it relates directly to several federal ministries. The contract itself paves the way for an alternate in case of an investigation and the resulting voiding of this contract by either the provincial or the federal government or by COJO itself. The entire matter in which the contract between COJO and ABC was drawn up is more than a little suspect in its make-up.

I have presented this House with documented statements involving serious conflict in times and dates, and I have presented further evidence of statements from the major U.S. television networks. With these documented facts and their surrounding discrepancies, I personally once again call upon the Prime Minister to initiate an immediate investigation, without hindering any progress to the eventual staging of the Olympic games, to once and for all clear up a situation which if left unsolved can only leave each Canadian suspicious of the entire Olympic ideal.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, for the second time since I was elected I have been exposed to a Speech from the Throne, and when I use the word "exposed" I think I allude correctly to the state of affairs in the Liberal Party and the Liberal government. I have the distinct impression that the government has run up to the public, flashed open its trenchcoat to reveal its new clothes but, much like the emperor of the Hans Anderson fairy-tale, there is nothing to show—indeed, not even the bare essentials.

The crisis of the cost of living in this country requires more substance than has been offered. For instance, it is not adequate that the government promises "reasonable food prices" when prices have been steadily rising without government intervention. The people in my riding are suffering now, never mind tomorrow. I shall read some letters which I have received from constituents over the past two weeks, to give hon. members an idea what people are up against in a real way at this time. These are the real problems, not the problems of the ivory tower where unresponsive, indecisive, banal clichés are rolled out like so much confederate money. I should like to take this opportunity during the debate on the Speech from the Throne to give real voice to the feelings of the people of my constituency.

Mrs. Valerie Barry of Nickel Centre wrote to me as follows:

I have never before this year regarded myself or my family as being poor as we have found this year. I have two children and there are thousands of people who have considerably larger families. My husband quite often works 14-16 hour days and yet I cannot afford to buy the proper kinds of food for my family. At one time if you wanted fancy foods, you expected to pay high prices for them. Now we cannot afford staples. Speaking for my own family, I have not purchased any beef for three months at least. The reason being by the time we buy bread, milk, potatoes and other groceries there is not any money left for steak or pork chops or things that I feel every Canadian has a right to. We live in the richest country in the world and yet we are deprived of eating proper diet due to ridiculous prices. As our representative, I hope that perhaps you can help us by at least working to give Mrs. Plumptre's committee some authority to get us some changes.

● (1540)

Mr. McCaughey, from Garson, writes to say:

Dear Sir:

Re the high cost of living, here is one who is very concerned with it. The Prime Minister doesn't seem to care what becomes of the voters. They will be too weak from malnutrition to get out and vote if this continues.

Instead of bread going up, why not hard liquor, cigars and cigarettes. Children eat bread, not liquor. I am on a fixed income, but I did get a raise on the Canada pension. I can get along, but it's one raise after another on staples that worries me. Why not bring the cost of living down, and then they wouldn't need to hand out these raises and everyone would benefit.

Here is a letter from someone who signs himself, or herself, "A plea for help":

Dear Sir:

Just took a few moments to sit down and write you this letter about trying to raise and feed a family of six children plus two adults. To feed and clothe, upkeep of a home is almost impossible. Sure they say that prices are according to your take home pay. Well, I say baloney to that.

Just for one instance, let's take food, which everyone needs to survive, and I don't mean steak, just a simple pot of home-made beans for a family of eight. My husband paid for 12 packages of 14 oz. (less than a pound each) $6.33 December 27, 1973, less than two months ago. And I can assure you that is used up in no time at all. Weston split-peas, one package, 16 oz., 51 cents, which was 36 cents less than a month ago. Also rice, white sugar just to name a few; also potatoes which are the main vegetable on the table.

As you have a family of your own to raise, I am sure that you will agree with me that it is a hardship to manoeuvre with no relief in sight. Even people with no children have difficulty in making ends meet where food is concerned. Clothes can be made out of hand-me-downs, or purchased at the Salvation Army, but there is no substitute for food.

Either eat or starve. We have a choice. In closing, I hope that this letter will be joined with many more in this same situation that we are in trying to raise and feed a family.

This is a letter from Mrs. Katherine Thomas of Val Caron:

This price increase is completely ridiculous. We all have heard it is caused by world food supplies. I am sorry, but I am worried about my family. It is getting harder and harder to feed my children healthy, nutritious meals when my husband's wages don't keep up with the rise in the costs of food and clothing for children. If it is hard on us with a comparatively good wage, what are the senior citizens and people classified as "poor" eating?

Please help and do something about it. Your party out of all can, with the balance of power, even if it brings an election. Maybe if an election is going to be called, a lot of things will come more clearer.

Mrs. Plumptre can't do anything and unfortunately is taking a lot of criticism which should be against the politicians who could do something but apparently don't care.

Sugar has gone up terribly, white beans, spaghetti and eggs. Good heavens, I am sure all these don't depend on anchovies off the Peruvian coast.

Take action now or I am positive the next election will prove that this is the major point in the voters' minds.

Mrs. Jennie Williamson, of Naughton, Ontario, writes as follows:

Dear Sir:

I am writing in regard to the high cost of living. My husband is a pensioner; he is 67, I am 60. We also have a 16-year old boy attending Lively high school.

As I'm sure you must know, groceries have gone "sky high". White sugar has risen from $1.43 for ten pounds to $2.54 since last fall. Honey has gone from 89 cents to $2.09. Now, how much more does it cost to keep bees today than it did three or four years ago?

I believe Dominion Stores showed a profit of 90 per cent, the highest of any chain store. Why is there not more investigating in this regard.

I would like to know what Mrs. Plumptre is doing. How could anyone on $40,000 know anything about the needs of a family on less than $5,000? What a waste of $40,000. Why can the tax not be eliminated on all clothing? Also essentials like toilet paper, soaps, cleaners, etc. My husband (Earl) worked hard all his life, and never drew unemployment insurance in his life and was never unemployed and had to retire at 62 because he has trouble with his back and legs.

Please try to do something to try to raise pensions and bring down the cost of living.

Yours truly,

Again, Mr. Speaker—

The Acting Speaker (Mr. Boulanger): Order. Is the hon. member rising for the purpose of asking a question?

Mr. Alkenbrack: Yes, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): Does the hon. member agree to accept a question?

Mr. Rodriguez: Mr. Speaker, at the end of my address I will entertain questions. I might point out to the House that this is the people of Canada speaking, and when the people of Canada are speaking I think it important they be on the record of the House of Commons.

Then, from Mrs. Sylvia Cheviette of Sudbury I have this letter which is addressed to the Prime Minister (Mr. Trudeau):

Dear Mr. Trudeau:

As the head of our country you must get plenty of complaints, but I must add one more. Isn't there anything you can do to stop the increases in all prices? All companies and stores seem to have great profits when they give out their figures. The feeds are going up for animals, fertilizers also. This means the farmer can't afford to keep a farm, and with many of them going out of business we will in a few years time have a lot less food. We have potatoes in the Valley and other areas, and when they go into our stores they charge the same that they charge for P.E.I. or N.B. potatoes. How can the prices be the same? I've spoken to some farmers and they say they don't get the difference, so where does it go?

Milk went up from 22 cents a can to 26 cents. Sugar has gone up from $1.59 to $2.69 for ten pounds, bread also. These are just a few and it's getting worse all the time. Soon we won't be able to eat because we will be getting a stub with no amount on the cheque as the deductions are getting bigger, and then the money you do get can't be stretched all that far because the prices are getting impossible.

Please take some kind of action before we are unable to eat at all.

This is a letter from the Waters women's institute in Waters township.

Dear Sir:

We are very concerned about the abrupt rise in prices for the following food items: sugar, white beans, soda biscuits, rice. We would like to have the Food Prices Review Board investigate why the prices have risen on items mentioned and if possible an answer in the news media of what they discover.

Next is a letter from Mrs. Joan Callack, of Whitefish in my riding:

Dear Sir:

It's been on my mind for a long time, I thought it's about time I did something about it, or perhaps you can do something about the problem of high prices on food, clothing, etc., etc.

My husband works every day, has a steady job, yet all we get out of his wages is our roof over our heads and groceries that last from one payday to the next, and barely at that.

We have four children, one of which attends secondary school in the next community. Also, he turned 18 years of age one month ago. We are not able to clothe this student decently. Youth allowance did help, kept him in jeans, but $20 does not buy a very good pair of shoes, though. We are doing our best but it's just not doing very good.

The next letter is from Mrs. Harrison of Chelmsford:

Dear Sir:

I would like to know when is it going to end, the price of food going up. Every time we're going to the store, it's gone up. Something must be done. All we hear is talk, but nothing being done.

Here is a letter from Mrs. G. F. Maxam of Garson:

Dear Mr. Rodriguez:

... I wish to say how disturbed I am at the rising cost of living, especially food. No doubt you will be inundated with mail concerning this state of affairs.

My husband will be retiring this spring, and although some but not all provisions are made for our welfare, I and many others wonder when it will all end. Granted, there will be only two of us, but there are those with four to six children who will find it very difficult.

Here is a letter from Mrs. Rowland of Val Caron in my riding:

Dear Mr. Rodriguez:

... We are very concerned about the rising prices on everything. I am sending you a copy of the letter I am sending Mrs. Plumptre in Ottawa, and how about going down there and trying to check things up and get an investigation going or something to bring those prices down so we can live a decent life?

Here is a letter from Ray Lagare of Val Therese, Ontario:

● (1550)

I would like to write a few lines to you concerning the high cost of living. In a country as wealthy as ours there is no food shortage as emphasized by the government. Some items in the large chain stores are up as much as 300 per cent in a short while, but our wages will go up a small 3½ per cent on the 10th of July. How can we manage with a family when the cost of living is increasing steadily at such a fast rate?

I think that you should stand in the House with your colleagues and tell Mr. Lewis that he has given the Liberals enough time to look at the situation through their famous Mrs. B. Plumptre and her prices review board.

I am sure the Canadian people are fed up with this kind of beating around the bush while the prices are skyrocketing.

And so the letters come from individuals and from organizations. On the other hand, all these people are aware that while they struggle to buy food and survive on their income, the food companies and other corporations in this country are not forced to engage in the same struggle. The Weston company, with its finger in the Loblaw "By gosh, the price is right" pie shows an increase in profit of more than 80 per cent. Profits for the Canada Packers and Schneider's companies are up 36 per cent and 45 per cent respectively. Dominion Stores' profits were up 30 per cent over the nine months period ending December 15.

Even Mrs. Plumptre is starting to tell the consumer some disturbing things, as in the case of the unjustified increases in the price of bread. But I need not enumerate all these, for the profits increases situation in this country has reached the point where it has become a personal affront to every Canadian who is living on a fixed income, a low wage, a middle-level income or those who are unemployed.

This is where the term "free enterprise" becomes a rather interesting description of the system under which we are living. Free enterprise for whom? No one but the companies. While the Conservatives pay homage to free enterprise on the one hand, they propose on the other hand to institute wage and price freezes. They do not propose a profit freeze but, rather, would simply freeze the prices at their inflated levels and freeze the already inadequate wages of the working people who cannot cope with prices as they are—and this despite the experience in Britain and the United States.

Not only have the companies of this country benefited from the corporate welfare lumped on them by the Liberal government, and the Conservative government before them, but they have now wrapped up the free enterprise corner in such a way as to trap the Canadian people. Where is the free enterprise in having no control over the wages coming into your pocket for a hard day of work? Where is the free enterprise in having no control over the expenditure of that money? Where is the free enterprise in paying out every cent to keep food in the body and a roof over a family?

In return for having to pay to exist, can we look around and say that this level of existence is for a good cause? Can we assure ourselves that the poor are being helped, that our aged and our disadvantaged are living decent lives, that our children will be free to pursue their own goals because of the planning that is being done today? Can we look around and find just one group of people who are benefiting from this crisis other than the directors who sit on the boards of the companies whose profits are skyrocketing?

What is this story that nothing can be done? Surely, while a part of inflation is imported, the elected representatives on this country have the brains collectively to resolve a major portion of the country's current problems. Surely, it is not enough to admit that the government is capable of administering during the booms but incapable of governing through the lower periods or the busts. The capability to govern does not exist unless it exists and works in times of crisis such as now.

Now I would like to turn my attention to my own area, generally speaking. What about the issue which the Prime Minister said in 1968 he would strive to eliminate, namely, regional disparity? Here we are, six years later and umpteen throne speeches later—the latest one on Wednesday of this week—and what is said about regional development? The throne speech contains only one line on the matter which is as follows: "The government attaches great importance to regional development".

I live in and represent a regionally underdeveloped area in northern Ontario, Nickel Belt. Indeed, all of northern Ontario is considered a regionally underdeveloped area. This area has 12 representatives in the House. In 1968, 11 of the 12 were Liberals. Today, nine of the 12 are members of the governing party with specific and responsible positions. One is a cabinet minister, one is chairman of the Liberal caucus, one is deputy whip, and several are chairmen of standing committees or parliamentary secretaries.

We who live in northern Ontario are well aware of the regional disparity between our part of the province and other parts of this country, and indeed the southern part of Ontario. It is a fair comment to make that northern Ontario exists as a colony subject to a centralist administration in Toronto and a monstrously unresponsive government in Ottawa. I have often heard it said that northern Ontario has been the backbone of federal Liberal support in Ontario. Why then do you continue to treat us in northern Ontario as the backside of Canada?

Neither is the Ontario government exempt from the responsibility of developing northern Ontario. After all, out of the 16 provincial seats in northern Ontario, the Tories hold eight, with several cabinet ministers among them. But in case you think I overstate the problem, I draw the attention of the House to the Toronto centred region plan prepared for the provincial government and accepted by the Tories as official government policy. The Toronto centred region plan states:

> There are certain reasons for the centre of development being in the Toronto centred region. They are primarily
>
> (i) the primacy of Toronto in social, economic and cultural life,
>
> (ii) the relation with other major cities in Canada, especially Montreal,
>
> (iii) the relation to the major markets in the United States,
>
> (iv) the manufacturing of the resources from northern Ontario and distribution to United States markets . . .
>
> The Toronto centred region population will reach eight million by 2000 A.D.
>
> The Toronto centred region will remain the financial, manufacturing, cultural and communications centre of Ontario and Canada, and will relate primarily to the United States.

There it is, the official view of northern Ontario as seen by the Tories who rule us from Toronto. We who live here know that northern Ontario is the repository of the mineral wealth of Ontario and indeed of Canada, yet the share of the work force in secondary manufacturing is well below the provincial and national levels. We do not have oil, but we have uranium owned by that great Tory who ran for the Conservative Party federally and was defeated. He spent $92,000.

About 30 per cent of the northern Ontario work force is employed in forestry or mining. The remaining 70 per cent is involved in the service industry. This is below the accepted ratio for service employment to other employment. Even the growth prospects under present circumstances are appalling. In the period 1966 to 1970, according to the provincial department of natural resources, mineral wealth increased approximately 70 per cent, while employment in that field increased by 5.3 per cent. This is corroborated by the Economic Council of Canada, which states that the projected growth of mining employment has been estimated to be marginally less than the growth of mining production. Indeed, Mr. J. Edward Grubb, president of INCO, speaking a few months ago in New York, stated that last year, 1973, production at INCO's operation will be accomplished by mining the highest quality ore now; in other words, high-grading ore.

● (1600)

Inco did it, going from a work force of 18,000 in January, 1972, to a work force of 13,000 by the end of 1973, and with its profits up 100 per cent to a whopping $227 million. Falconbridge, the other "godfather" in the Sudbury basin, had a 770 per cent increase in 1973. Indeed, when one reads what the resource industries have made in northern Ontario one is left breathless when considering the underdevelopment in that part of the country. The Abitibi company had an increase of 260 per cent, and Noranda Mines 75 per cent.

What about the federal government's view of northern Ontario? Look at the Department of Regional Economic Expansion. It was set up in 1968 and was headed by the Minister of Transport (Mr. Marchand) at a time when the Minister of Regional Economic Expansion (Mr. Jamieson) was minister of transport. They have been playing a game of musical chairs. The Minister of Regional Economic Expansion said the following to the Standing Committee on Regional Development, on April 10, 1973, four years after DREE had been established and northern Ontario had been designated as a special area:

> Northern Ontario has experienced a growth rate in population of less than 1 per cent per year throughout the decade of the 1960s, slightly below the average for the Atlantic region. It tends to be characterized by a dual economy comprising urban centres such as Thunder Bay, Sault Ste. Marie, Sudbury, North Bay and Timmins, where incomes are at or above national averages, and rural and remote areas and resource towns, where incomes tend to be substantially below the Canadian average and where economic growth depends almost entirely upon primary resource production.
>
> The general social and economic climate in northern Ontario suggests that special efforts will be required if there is to be a significant increase in the employment and value of production derived from the extensive natural resource base and an increase in the viability of some of the urban centres.

As recently as this week the minister announced the signing of a general development agreement with the province of Ontario in which it is stated—and this is what we have to look forward to in northern Ontario:

> Other subsidiary agreements involving regions within northern Ontario are under discussion. The first of these is for northwestern Ontario and is a regional economic package which might include resource development roads, an industrial complex feasibility study and infrastructure in selected growth centres. A second will pertain to northeastern Ontario.

We have had the study route, Mr. Speaker. Thousands upon thousands of studies have been done on how we can diversify secondary industry and undertake development in northern Ontario. That is all I have heard since coming to this place. The problem has been studied to death. The time has come for action.

One of the themes we got from DREE last year was on decentralization. But what have we found since? We have found that DREE is not decentralized into northern Ontario. As a matter of fact, it is recentralized into Toronto. Anybody who has lived in northern Ontario knows the bias displayed by northern Ontarians toward southern Ontarians. To centralize an office of DREE in

Toronto, supposedly to help develop northern Ontario, shows crass treatment of the situation. Indeed, the government's concluding observation in its interdepartmental report regarding DREE's performance in northern Ontario specifically states at page 10:

> In light of these circumstances special efforts may be required to strengthen existing resource industries, encourage diversification where viable opportunities exist, and assist in the social adjustment process for those who choose to leave the communities.

The federal government ought to be looking at policies which would develop northern Ontario industrially. In this light a minerals policy which would provide for the establishment of a national minerals corporation, that would take into its portfolio the resources of Ontario, particularly northern Ontario, so that their development could take place for the benefit of our people, would be a great help. There are many reasons why our resources should be owned by the people. These include the creation of employment, the provision of revenue so that the quality of life can be improved for the people who live in the region where the resource is located and who help to mine and produce it and, thirdly, through public ownership of our resources we can maintain our economic independence.

In 1972 the Science Council of Canada released a number of reports dealing with innovations and the structure of Canadian industry. I quote from Study No. 23, which was one of the background studies for the council, as follows:

> Canada's great area of strength lies in its natural resources. With competition as keen as it is in the world today, each country must seek to take maximum advantage of those areas in which it has some comparative advantage. This, however, must not be interpreted to mean that we should further accelerate our already precipitous rate of resource extraction. Unquestionably this latter approach, coupled with massive infusions of foreign capital, could keep our GNP rising for a number of years; but before the children of today could reach middle age most of the resources would be gone, leaving Canada with a resource-based economy and no resources.

Our resources must be used as a lever in the industrial development of the province and to add more value to mined resources before exporting them. There is no coincidence in the fact that our resources, by and large, are controlled by foreign corporations and that there is little product development in the province or indeed in the country. I quote further from the same Science Council report:

> Alcan does a large part of its product development in the U.K., Inco does most of its product development in the U.S., Johns Manville . . . all of its asbestos development in the U.S., Andy and Harmon . . . silver product development in the U.S., and Engelhart . . . all research on platinum is performed in the U.S.

The Science Council continues:

> Therefore, in order to succeed in building on our resources, it will be necessary to correct this very fundamental weakness. It will be essential for Canada to develop and exercise product engineering and design capability, and this at all levels, from end product to resource.

Mr. Deputy Speaker: Order. I hesitate to interrupt the hon. member, but his time has expired under our Standing Orders. However, if there is unanimous consent he may continue.

Some hon. Members: Agreed.

[Mr. Rodriguez.]

Mr. Rodriguez: The private sector has failed to do what is necessary, that which not only I but the Science Council of Canada believe is critical if we are to create employment in manufacturing industries in parts of the country like my own. As long as the corporations are allowed to exploit our resources with the goal of maximizing their profits, they will never voluntarily create a viable secondary industry in this province or in this country.

Secondly, I think the government ought to consider developing northern Ontario as one special area, providing infrastructure in all municipalities where development is needed. Thirdly, often when incentives are considered, we think of incentives to corporations and business. We never think of incentives to individuals except when we want them to move from one part of the country to another. I think incentives should be given to individuals living in northern Ontario, for example, through a graduated taxation system. Such graduated tax scales could include sales taxes, personal income tax, OHIP premiums, etc. In some areas of northern Ontario there should be no gasoline tax.

● (1610)

Combined with incentives to individuals there should be disincentives to the wealthier parts of the province and the country, for example, southern Ontario. Those disincentives could take the form of taxation on primary resource exports, higher freight rates on shipping raw material out of the north and very cheap rates on shipping the finished product to some market.

The idea of transportation, Mr. Speaker, leads me to my fourth point. There is no reason in the world why my part of the country, northern Ontario, should be the highest freight rate area in the country. Between Levis, Quebec, and Armstrong, northern Ontario, freight rates on the CNR are the highest in the country. On the provincial government's railway, the ONR, freight rates were cut by 18 per cent. This government ought to instruct the CNR that they should cut the freight rates on that line, and ship the finished products out of northern Ontario, by the same percentage. It is interesting to note that it is much cheaper to ship raw materials out of northern Ontario than it is to ship finished products. One example is iron ore pellets. It costs $8.60 to ship a ton of iron ore pellets from Copper Cliff to Pittsburgh, Pennsylvania; but if you were to ship a ton of fertilizer to Toronto from Sudbury it would cost $90.80 per ton. These discrepancies can only serve to lock us into being hewers of wood and drawers of water for time immemorial.

Mr. Speaker, I make a fifth proposal to the government of an over-all industrial strategy for northern Ontario. There is no over-all industrial strategy. It seems to be always on an ad hoc basis, with the north condemned forever to being the receptacle of the raw resources. My sixth proposal is that we need a comprehensive and cohesive transportation policy in northern Ontario. We cannot have Air Canada dropping out of service from Sudbury to Timmins, or Sudbury to North Bay, without replacing that service with some kind of comprehensive program where transportation for moving people around my part of the country would be enhanced and facilitated.

Mr. Speaker, lastly I propose to the government a permanent secretariat for development in northern Ontario.

This secretariat would be resident in northern Ontario and it would comprise provincial and federal personnel from the area. There ought to be an ongoing body which would oversee development in northern Ontario and to which the people of northern Ontario could apply for redress or improvement in their living conditions.

These are only some of the proposals I make to the government with respect to development in northern Ontario which has been sadly neglected over the past 100 years. I remind the government benches that the Prime Minister was very concerned about eradicating regional disparities. We have very serious problems with respect to regional disparity, and I think it is time they were looked at. It is obvious that members on the government side who represent this area have not been raising the issues.

With regard to the pipeline, the Minister of Manpower and Immigration (Mr. Andras) recently came to northern Ontario with some minions from the area and suggested a review of the route of the pipeline from Sarnia to Montreal. That is just a palliative to the people of northern Ontario. The decision was made by the cabinet. Mr. Speaker, I call on them to reconsider that decision in light of the kind of development that can take place in northern Ontario. We have been ignored too long. I call on the government to pay attention to the present situation and to take action now to correct some of these discrepancies.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) wishes to ask a question, but the only extension of time can be for the hon. member to complete his speech. Is it agreed that the hon. member should have the right to ask a question?

Some hon. Members: Agreed.

Mr. Alkenbrack: Mr. Speaker, during his speech the hon. member for Nickel Belt (Mr. Rodriguez) read letters from constituents complaining about and protesting the spiralling cost of living under this government. I now ask the hon. member why he voted against the subamendment only one hour ago which indicated lack of confidence in this government in the words "... because it has not taken effective and immediate measures to stop the increase in the cost of living".

Mr. Deputy Speaker: Order, please. There is a very simple rule that one does not reflect upon a vote that has already taken place in the chamber.

[*Translation*]

Hon. Jeanne Sauvé (Minister of State for Science and Technology): Mr. Speaker, I should like at the outset to congratulate His Excellency the Governor General and thank him for having accepted his new responsibilities in that public service spirit that he has shown throughout his extraordinary career. As for Her Excellency Mrs. Léger, who always admirably supported her husband, we already see the stamp of her extraordinary readiness of wit and of the great warmth of personality in everything she has undertaken during the short time she has discharged her duties.

I hope I may also express the great satisfaction I find in seeing again Mr. Speaker in the Chair to preside over our debates. He shows great ability and tactfulness in the fulfilment of his duty. He succeeds in moderating our debates. He even manages to curb the eagerness for criticism which is of course the essential part of this House, provided those criticisms do not in their overzealousness, go beyond their purpose, which is to serve the people. The Speaker helps a great deal to bring our debates to the level required by the high responsibility of this House. I am also delighted to find around him the team that supports him and contributed so much to the success of the last session, which is of good omen for the session we shall now go through.

It is in accordance with the usual practice to congratulate the mover and the seconder of the Address in reply to the Speech from the Throne. I must say that I am doing so today most sincerely and not only to comply with a practice of this House.

● (1620)

They demonstrated with exceptional eloquence their concern for the welfare of all those we are here to serve, and behaved in the best of parliamentary traditions.

While listening to them, I could not refrain from thinking that the backbenchers on this side of the House are filled with talents and, like the Prime Minister (Mr. Trudeau), I find this very encouraging and feel that, as long as the Canadian people is willing to assure us of its trust, this party in the House has the necessary personnel to come up to its expectations.

The extraordinary contributions of our members to the proceedings of the committees of the House is ample proof of this. I have been told that 77 hon. members took part in 626 meetings of the parliamentary committees which were created and in operation during the last session. Mr. Speaker, that means exceptional regularity of attendance made necessary, of course, by the existence of a minority government. The parliamentarians from this side of the House met that great challenge with honour and deserve to be lauded for their sense of service and fellowship.

They have decided to serve their constituents here although, as many of us, they would have liked to be with them more often. All of us in Parliament have suffered from not being able to communicate with our constituents as much as we would have liked.

As far as I am concerned, during the session, I had to cancel four or five meetings that had been organized in my riding in order to fulfil my parliamentary obligations. Of course I did so most regretfully, but parliamentary duty came first. You will tell me that Parliament is in minority for everybody and that my remarks are irrelevant but I would like to remind you that absences do not have the same effect for the opposition as for Cabinet members, who are vested with the initiative right of government and with the responsibility of parliamentary stability.

Our duty was undoubtedly to be here, in the House, I admit it. But is parliamentarism better served by the attitude of the opposition which takes advantage of circumstances, with many members being absent one day and reappearing the next day in number in order to force,

through mean calculations, Cabinet members to be isolated from their constituents?

For if our duty lies clearly within this Chamber, it is also very important as far as the people are concerned, since we have the responsibility of maintaining contacts with the people who have elected us, of consulting them on the way they would like us to conduct the affairs of state and since we have the duty to inform them of what is happening in the House of Commons, because we are not working here for us but for them.

The Member of Parliament, the parliamentarian is so much more efficient in the House of Commons as he has the opportunity from time to time to go back to those who have elected him in order to try to understand what their aspirations are.

As a new parliamentarian, I must admit that every time I have had the opportunity of meeting the people, when I accepted to speak before a few groups, I was always enhanced and renewed by these experiences, for it is obvious that a politician is renewing only at the source of his mandate. Voters are the source of his mandate. He has the duty and the responsibility of maintaining contacts with voters.

The situation of the minority government, mainly the situation created by the opposition party, certainly prevented us from discharging this portion of our responsibilities. Because it is not as some like to say that it is by sitting on the opposition benches that one renovates oneself politically speaking. This is obvious after a session such as this one, when one sees that the opposition parties did not succeed since it is said that they are in the best possible situation to renew themselves. They did not succeed in suggesting coherent measures to deal with the problems we are facing.

But it is because, in spite of difficulties, we have kept government initiative that we still have the right, during this second session, to keep on governing.

I would like to deal very briefly with another aspect of opposition and namely that of parliamentary holidays. I do not know of any Parliament in the world sitting as long as ours. Under conditions which we all know, the opposition took advantage of our minority situation to make our task even more difficult. For example, by ignoring the school vacations, they have pursued sterile debates to try and break the morale of hon. members who saw the days passing by without being able to take turns as the opposition members did and spend some time with their families.

Particularly in Canada, the size of which is such a geographical challenge, an agreement should allow those of us from both ends of the country to meet our family obligations. The children of those hon. members have the same rights as other children and I am convinced that Parliament could meet this reality if it were not for the prejudicial game of the opposition members.

Some hon. members made the sacrifice of their holidays which they had scheduled with their family and I still remember one of them saying during a meeting:

[*English*]

It means a lot to me, but I would give it up because I know that this government has maintained its will to govern.

[Mrs. Sauvé.]

[*Translation*]

However, Mr. Speaker, these are situations about which we should agree so that it may be possible at least to practice this profession, which is a great one, in somewhat better conditions. I hope that the opposition has come to the end of this hide-and-seek strategy and that during this second session it will consider the House as a place of work rather than a trap to grasp power.

In this House, we discuss bills, but we can do it well only if we refer to what the people are thinking. To be able to do so, we must go among the people from time to time.

My main objective, Mr. Speaker, is of course to tell my colleagues about the part of the Speech from the Throne which deals with my department and, with your permission, I shall now talk about the business of the Ministry of State for Science and Technology and, more specifically, about the intention expressed in the Speech from the Throne to reinforce the mandate of this department.

The foundation of liberalism has always been to remain within the path of history and to favour a concentration, based upon circumstances, on the natural forces of society for the advance of humanity. From that point of view, scientific activity played a leading part and was one of the major forces in the changes since the last war.

● (1630)

Over the past decade, the awareness of the impact of science and technology on evolution has led us, and ours is not the only country, to re-examine that area of government expenditures. Even here, in Canada, numerous studies have been initiated on this problem. Among others, there was the Glassco Commission whose terms of reference did not include this but however it did consider that problem, the Mackenzie report, the Gendron report and, more recently, the Senate investigation on scientific policy presided by hon. Senator Maurice Lamontagne. The OECD has also initiated studies on the impact of science and technology on changes. It is perhaps the results or impact of major scientific research programs of the major industrial countries which have drawn attention on this area of government expenditures.

Arising from the success of those scientific programs which were called "Big Science", many countries have set up, as we did, a department whose function is to coordinate the research endeavours within the country and to make those endeavours contribute to the national objectives. In this respect, we ought to congratulate Senator Lamontagne for having conducted his inquiry with such strength, in spite of many criticisms at times, for in some circles what he was trying to do was very little understood, and for having wanted to make the whole country understand with this inquiry how important was the scientific activity. Senator Lamontagne's report represents six years of hearings during which groups interested in this area of activity have submitted briefs and made their opinions known. The hon. senator has published many works in which he has given us an exhaustive analysis of the state of science and technology in Canada and by which he has made us able to make comparisons with some other countries, since it was somewhat difficult to assess objectively, without any point of comparison, whether what we are doing is consistent with what is

going on in other countries. He gave us the opportunity to compare with other countries. Moreover, because of his familiarity with the Canadian situation, he pointed out the weaknesses of our research network, whether inside government, in the universities or the industry, as well as the mechanisms linking this research network. The interest given by Senator Lamontagne to this question has surely contributed to the establishment of the ministry, and even today, through his studies, he has thrown much light on the ways and means to fulfill our mandate of Minister of State for Science and Technology.

Naturally, this study was a comprehensive revision of all government spending activities and this reviewing process has, in certain circumstances, troubled somewhat the scientific community. It is understandable that it should fear changes—everyone does—that it should question its necessity, that it should be afraid that new directions will disturb its projects. But in my opinion, the scientific community is in a better position to accept revision, because it is for scientists a professional fact-of-life in a way. It is the essence of scientific activity, and for this reason we have carried on this re-evaluation at a sufficiently slow pace and with great confidence, because we are certain of being understood by the scientific community. Of course, during that reassessment, we have held many consultations and I had the opportunity on several occasions to appear before groups of researchers to explain specifically what the government intends to do under the mandate granted to the Ministry of State for Science and Technology.

In the Speech from the Throne, the government is reasserting its intention of carrying out some recommendations of Senator Lamontagne and taking the necessary steps for the development of a scientific policy in Canada.

[*English*]

In the 1960s the world witnessed a dramatic growth of scientific activity. The international scientific race had begun, and with it realization that any concerted effort in scientific research must be tied to national goals. It was a new philosophy that was injected into the scientific activity whereby scientists were allowed to go about doing their own little thing. It became apparent that governments had to look to scientists to help solve problems of modern society. Good ideas to solve problems are not sufficient, or even useful, by themselves. Their impact has to be researched and their course prolonged into the future so we will know exactly to what that good idea will lead us. In that process, of course, new ideas will emerge in many cases which are related to the kinds of solutions for which we are looking.

Governments face the responsibility of studying the different options available to them. We now know that several options arise in the solutions to certain problems which face modern society. We can choose which options suit us best. Governments now have the responsibility to set up a mechanism by which they will be in a better position to make those choices. We now choose our futures because we have many futures ahead of us. However, we must set up the machinery to make those choices adequately. It is in order to be in a better position that the government is now suggesting the mandate of MOSST be reinforced. I quote a portion of the Speech from the Throne:

> The development and use of technology is also essential to the government's approach to increasing national economic production. Steps will be taken to obtain greater returns from industrial research and development as well as technological innovation in Canada.
>
> Scientific knowledge and its application is a keystone to meeting the challenges facing Canada, including those in the areas of food, energy or industrial development. The objective of the government's science policy is the rational generation and acquisition of scientific knowledge and the planned use of science and technology in support of national goals. The Ministry of State for Science and Technology will be developing national science objectives as a basis for exercising enhanced advisory and co-ordinating authority within the government. Two new granting councils will be formed, one for social sciences and humanities and the other for natural sciences.

Certain profound and important changes in public attitude toward science and technology have taken place since the 1960s. For a long time science and technology were fields which the taxpaying public supported without asking too many questions. The relationship between the taxpayer and the scientist was similar to that of a patient toward his doctor. If that relationship has changed, so has the relationship of the public toward the scientist. Taxpayers and politicians alike are no longer as prepared to finance increased scientific expenditures without the opportunity of closer public scrutiny of their activities and of participating in the decisions related to this activity. In some areas this is often perceived as a threat to science; it is perceived as a possible intention of brigading science into meeting government or political objectives.

I reiterate that the whole mandate of the ministry does not mean there is a denial of financial assistance nor of the importance of curiosity-oriented research. Nor is it a repudiation of the basic freedom of the scientist to choose his own field of research. It is a recognition of the high level of government involvement in financing research and development programs.

The people of Canada expect, and rightly so, that scientific resources should be used to solve problems of national concern. The concerns of the people and their representatives must increasingly become the concerns of the scientific community. Subjects such as environmental protection and alternate sources of energy are fields that can have a profound effect on the quality of life and are thus examples of areas where increased attention by the scientific community is indicated.

The science policy cannot be confined to specialists, be they scientists or legislators. The whole population must enter the debate. They must participate in the different choices we will want to make. In proposing these measures, we are attempting to reinforce the mandate of the ministry. We are attempting to balance the needs of the public with needs to maintain and enhance a viable and productive research and development sector within Canada.

Science policy has been described in the throne speech as "the rational generation and acquisition of scientific knowledge and the planned use of science and technology in support of national goals." This is at the base of the mandate of the ministry. As the throne speech indicates, my ministry is to have a strengthened role. Its advice will increasingly be taken into account by cabinet in relation to policies dealing with scientific and technical concerns,

many of which will originate from operating departments while others will obviously be initiated within the ministry. Its impact will also be markedly increased in relation to the assessment of scientific programs and associated expenditures.

An arrangement has been worked out between the ministry and treasury board so that the ministry will be provided in advance with full information of scientific expenditures of the various departments. It will have a chance to review and assess these expenditures and it will have the responsibility of giving its advice to treasury board. Just as important, this process will lead me to publish a report on scientific expenditures at the same time as the main estimates, so that the public at large may have an opportunity to discuss those expenditures. This will afford an opportunity for all those interested in doing so to enter into discussion as to the direction expenditures in connection with science should be taking. We will develop guidelines concerning these expenditures and advise individual departments as well as treasury board in connection with specific programs. Publication of this report will offer one of the primary means of analysis.

● (1640)

I should like to say something about the co-ordinating mandate given to the ministry under the terms of which, when a specific area of research does not fall clearly under one department, the Minister of State for Science and Technology is called upon to act as a co-ordinating mechanism so that the departments concerned can get-together in a multi-disciplinary fashion. Our purpose is to ensure that federal scientific resources are used in the best possible way for the betterment of the quality of life in Canada. Basically, what the Speech from the Throne is saying is that the role of the ministry is being reinforced by the review assessment arrangements which have been made between ourselves and treasury board. As applied to research being carried out inside government, the objective is to ensure more cohesion and avoid overlapping.

The government also subsidizes outside research, and this comes under the same general mandate. The ministry will be asked to suggest means of improving funding structures. It will be asked to provide a definition of the roles of the National Science Council, the Science Council of Canada and the Defence Research Board. We have suggested the creation of new granting councils so as to correct imbalances between various disciplines.

Since time is running out, I think I should address myself to an area of scientific research which a number of studies have categorized as the weakest inside government. I am speaking of research and development grants in the field of applied research. Canada does grant more money for fundamental research than it does for applied research, and the imbalance will have to be corrected. This does not mean we shall deprive one sector for the sake of the other. If we do have something good going for us, that is to say an outstanding capability in fundamental research, my firm belief is that we should maintain it. Certainly, though, special attention will need to be paid to the field of applied research. Studies have shown that industrial research and development is weakest relative to other areas of endeavour, and this weakness has probably led to our poor performance in the area of high technology.

[Mrs. Sauvé.]

I think the hon. member who spoke before me made reference to this point, and a question on precisely this subject was directed to the Minister of Industry, Trade and Commerce (Mr. Gillespie) yesterday.

Mr. Deputy Speaker: Order. I regret to interrupt the minister, but the time allotted to her has expired. Is there unanimous consent that she be allowed to complete her speech?

Some hon. Members: Agreed.

Mr. Yewchuk: No.

Mrs. Sauvé: Thank you, Mr. Speaker. I was about—

Mr. Deputy Speaker: Again I must ask the minister to excuse me. I believe the hon. member for Athabasca (Mr. Yewchuk) has a point of order.

Mr. Yewchuk: Mr. Speaker, when you asked whether the minister should continue her speech, I said no.

Mr. Deputy Speaker: I will put the question again. Is there unanimous consent for the minister to complete her speech?

Some hon. Members: Agreed.

Mr. Yewchuk: No.

Mr. Deputy Speaker: There is not unanimity.

Mr. Bell: May I ask Your Honour to try once again? There has been latitude given to members on both sides of the House. Next week, perhaps, we should follow the rules strictly; but today, certainly, I am sure our members will agree to the minister being given an extra minute or two. We ourselves, yesterday, were given considerable latitude.

Mr. Deputy Speaker: I again present the request to the House. Is the minister given unanimous consent to extend her remarks?

Mr. Yewchuk: No.

Mrs. Sauvé: Mr. Speaker, I shall try to be brief.

Mr. Yewchuk: I said no.

Mr. Deputy Speaker: The minister apparently did not hear the "no" which I heard. She has not been granted extra time.

Mr. Bell: That's women's lib. for you!

Mr. Gordon Towers (Red Deer): Mr. Speaker, at the outset I would offer the congratulations of all my constituents to His Excellency Governor General Jules Léger and to Madame Léger. I trust good health will be afforded them so they will be able to devote their lives to enhancing the spirit of good will among all Canadians.

Experience has taught me that I should never enter into a debate with those of the opposite sex.

Mrs. Sauvé: Why not?

Mr. Towers: I should like to congratulate the minister on the latter portion of her speech, but I take exception to the earlier portion in which she referred to debates in this House as being sterile. The only reason for debates in this House being sterile is the government's failure to act or to take the initiative on the basis of the advice offered during those debates.

The hon. member for Winnipeg North Centre (Mr. Knowles), while he is a fine gentleman, stated on February 28 that more was accomplished in the first session of this parliament than would normally be accomplished in five or six years. My response to that observation is to express disappointment that the previous session produced so little, due to lack of leadership and good management by the the government. If parliament did such a good job in 1973 to the extent that it exceeded five or six years' work, it is not surprising that Canada is in its present state of distress and hardship. We must remember that 60 per cent of our current inflation of over 9 per cent has been induced by this government—in other words, over half—and all the mumbling and jumbling of words by government members to try to say otherwise cannot alter that fact.

● (1650)

Canadians are entitled to, and expect, efficient administration, but their hopes are fading fast, particularly when the cost of government itself continues to multiply without any attempt to cut expenditure or to consider the sacrifices many taxpayers are forced to make to meet tax demands. Let the Prime Minister (Mr. Trudeau) remember that it was the taxation policy of government which divided and destroyed the 12 tribes of Israel and has destroyed empires since.

Let me give a few examples to illustrate the lack of planning, and mismanagement during the first session of the twenty-ninth parliament. When the crop insurance bill, Bill C-129, was presented to the House the hon. member for Winnipeg North Centre wanted it pushed through without debate. Apparently he does not have any idea of the requirements of an appropriate crop insurance scheme. It would be more sensible and just to leave that type of legislation to people who do know what is necessary to provide an adequate system of protection for farmers. Even the Minister of Agriculture (Mr. Whelan) travelled across this country condemning members of the official opposition for questioning the bill, suggesting we were holding up its passage because we were asking the minister to consider our proposals which were sound and proper. Evidently he never intended to use any of our suggestions in spite of the fact that he knew they would have been of benefit to the Canadian producer.

The bill was passed in its original form, with the result that producers within the province of Ontario do not receive any extra protection for their crops, and those in other provinces gain very little. Bill C-129 certainly does not give the minister much on which to hang his hat, if through it he is supposed to improve production and protect the agricultural industry. It is to be hoped that legislation to be introduced during this session will be of a wider range and more in line with what is required.

In addition to the weaknesses of Bill C-129, the government failed to provide adequate policies on energy, agriculture, expansionism in industry and manufacturing, an efficient unemployment insurance program, transportation, and numerous other matters. If the hon. member for Winnipeg North Centre is of the opinion that the legislation introduced in the previous session reflects good government, he does not know what is required of government or of parliament and his feelings are very different from mine.

Government is probably the biggest business in Canada today. If any other business was administered on the basis on which this government is administered, its life would be very short indeed. I agree with the government member who said he would not stand for election in the next campaign because, he said, "I still happen to believe that no one, including government, should spend more than they take in". He said that his views were not fresh in this modern world. However, like the hon. member, I would rather be termed old-fashioned than disinterested, arrogant and unaware of the problems and wishes of the people I represent and of Canadians in general.

At the western economic opportunities conference, representatives of the federal government did not have anything to offer. All the western premiers knew the needs and desires of their provinces, but this government again failed to present any suggestions or ideas to meet their demands. The Minister of Energy, Mines and Resources (Mr. Macdonald) did manage later on to set up a confrontation between his government and the province of Alberta on the energy issue by his irresponsible conduct and attitude. If the Prime Minister had been at all concerned about the interests of the provinces in this country and their retention of natural resources, he would have removed that minister from his portfolio.

During the national energy conference, the maritime provinces were justifiably disturbed by the discrepancy in the cost of energy to their provinces compared to that in the central, manufacturing area of Canada. The producing provinces were worried lest they would not receive value for their natural resources. I ask the Prime Minister whether he considers it just to take a natural resource—I am thinking primarily of oil—away from a province and then, before it is used, allow the provincial and federal governments to levy a tax on that product. It would seem to me reasonable that the producing areas should receive maximum value for their product and the federal government could find its revenue elsewhere.

The minister responsible for the Canadian Wheat Board promised to bring in legislation which would provide an equitable selling price for feed grain across Canada, and at the same time correct the inconsistencies in freight rates. He did introduce a policy on grain, but he did not present any regulations to correct the freight rates situation. So until the next crop year the western producer of red meat is being placed at a severe disadvantage. Feed grains move east at Crowsnest rates, plus feed freight assistance; western meat goes east at regular domestic rates, leaving the western producer with a loss of approximately $5 per hog compared to his eastern counterpart. On an annual prairie production of four million hogs, this alone means a disparity of $20 million in the western provinces.

In the 1973 budget the federal government started to meddle with the beef industry by removing the import surcharge. Last August, without any warning and while parliament was not in session, this government created a chaotic situation for all beef producing provinces by imposing a surcharge on beef exported to the United States. This is another example of an inept government causing hardship through inconsiderate interference.

On that particular day I was having lunch with the manager of a western Canada packing plant. We knew that the cabinet was meeting to make a decision. When the manager asked me if I thought the federal government would impose controls, I said that I hoped not because there had already been too many government controls put into effect. My feeling was that such action would not achieve anything but would disrupt the industry, and that surely the Minister of Agriculture would be wise enough and would have sufficient influence on cabinet to prevent this move. I naturally thought that, should the government decide to place a tax on beef going to the United States, this would not come into effect in the middle of a week. However, as everyone knows, that is exactly what the government decided to do. It announced controls on beef exports late on Monday evening. That asinine move at an inopportune time cost producers of beef thousands and thousands of dollars. One man lost $5,000 on just one shipment. Had he not been deprived of that $5,000, it would have counteracted to a degree the losses he is experiencing today.

The Minister of Agriculture must know very well that there are many feed lots in western and eastern Canada which are only partially in use. Let me impress upon this government that there will be fewer animals in feed lots this coming year than there have been for a long time. People do not forget, nor can they overlook the careless handling of their very livelihood by a mismanaged government which panics and reaches decisions without regard for the implications and hardships which follow.

I would urge the government, for the benefit of all Canadians, to recognize the seriousness of the situation faced by the red meat industry. The inequity the government has created in the hog industry as between east and west has resulted in hog producers cutting down production. In the hog industry, apparently the proper ratio is the slaughter of one full grown sow to 20 market hogs. In the past several months the ratio has been one sow slaughtered to 13 market hogs—quite a cutback—which means that we will be short of pork in this country. The cattle industry is in the same position. People are fed up with the meddling and unnecessary interference, plus the lack of consideration and sound policy on the part of the federal government which would encourage production, at a time when the world is hungry and there is a 5 per cent shortfall in the production of grain.

● (1700)

Canada imported over 70 million pounds of beef last year. In 1974 the amount will no doubt be greater. In 1972 this country imported under 30 million pounds of butter. For 1973 the estimated figure is in the neighbourhood of 50 million pounds. Milk production dropped by 5 per cent last year also. Where does this government think it is leading the Canadian people, or where is it pushing them, when we cannot even supply our own requirements, with all the potential and the ability that we possess to produce?

[Mr. Towers.]

Problems within agriculture are mounting. Farm labour is in short supply and producers are becoming discouraged because the government does not care enough to provide an atmosphere in which the industry can survive. All we can do right now is to await with anticipation the legislation that the Minister of Agriculture is supposed to be bringing forth. But we in the official opposition wish to warn him now to take note that we will continue to scrutinize his proposals to see whether this time there is anything that can benefit the producer and consumer. When production decreases, the producer suffers and every consumer suffers. Vast numbers of Canadian consumers are now suffering and can only look to additional hardship as a result of the inefficiency of this leaderless, "don't care" government.

Why is this government not doing something now to alleviate the bottleneck in the grain industry? What does it need to see the light? Twelve ships are waiting at the west coast to load grain. The grain is not there. There will be ten more ships docking next week. Demurrage charges are mounting. Elevators are plugged. Farmers are anxious to move their grain before spring break-up and seeding commences. This government sits on its hands in Ottawa while the Wheat Board asks farms to deliver their grain. Anyone in the know realizes why there is frustration within the agricultural industry.

When the Minister of Manpower and Immigration (Mr. Andras) announced the current local initiatives program, he asked members of parliament to co-operate so that the program could fill the need in the most deserving areas. He requested advice on projects which would be most suitable. I know that some members would not have anything to do with this controversial program due to previous examples of poor judgment and abuse which they could not stop no matter how hard they tried. But I believed it to be my responsibility to try to offer some advice, to help my constituency and to help the minister. His request was complied with: a constituency advisory group was set up and there were several projects to submit. In November of 1973 I informed the minister, through his staff, of three projects that I considered to be worth while to the communities concerned, and I Informed him by letter directed to his office. These were projects from which there would be continuing benefit; in other words, the money would not have gone down the drain.

In order to try to get these three projects approved—and they do not go beyond the total allotted to my riding—I made numerous telephone calls and finally contacted a member of his staff. But I ran up against a stone wall and the three projects have not yet been accepted. On countless occasions calls were placed to the minister directly and the promise given that he would return my call. I am still waiting for that call. Four months have passed and I have not received an answer for my constituents. They are waiting and so am I. No other business could function or remain solvent under such sloppy management; and I do not conduct my constituency business in that manner either.

Add this frustration to that faced by producers, manufacturers, small businesses, the construction industry, the legitimately unemployed and you have a vague idea how a power-hungry, couldn't-care-less government carries out its duties and responsibilities.

The hon. member for Don Valley (Mr. Gillies) gave sound advice to the government, but apparently they do not intend to follow his advice. What about inflation, anyway? Obviously, the government members do not have any proposals of their own to curb the rising cost of production. As an example, last winter we saw a rise of from 100 per cent to 150 per cent in the price of anti-freeze alone. We have seen a fearful rise in the cost of food. Sugar alone is up 50 per cent. What will this do to beekeepers who require vast quantities of sugar to provide for hives until the productive season commences? This perhaps will answer the question of the hon. member for Nickel Belt (Mr. Rodriguez), who raised the same point this afternoon. I received a call from a constituent who will need 15 tons of sugar. What will this 50 per cent hike do to the price of honey?

A contractor asked me for information on the continually spiralling cost of construction material. He was considering a contract to extend over 18 months and involving $500,000, but was afraid to enter into a binding agreement without any control being placed on the skyrocketing rise in price for the material required.

Let me give you an example, Mr. Speaker, of the prices of different types of material. In December, 1973, the price of two-inch pipe per 100 feet was $112.50 in February of 1974 it was $211.20, a 90 per cent increase in price. Three-inch pipe in December was $150 per 100 feet; in February it had risen to $251.20. Four-inch pipe was $159 per 100 feet; in February it was $310. As I said, Mr. Speaker, that is a 90 per cent increase in four months. How can this contractor submit a contract and feel financially safe?

On top of that, there is a shortage of material. He normally orders 100 tons of sheet steel one year and 200 tons the next year. Normally he uses 150 tons of steel. In January, February and March he ordered 100 tons of steel; he received no allotment. For April, May and June he ordered another 100 tons of steel; he was allotted 40 tons. How can these people survive in conditions such as this and with a government that stands idly by and allows this sort of thing to take place? What can such soaring costs do but hamper home construction, industry, in fact any type of business, not to mention the wage earner who finds himself with less to spare for food and other necessities of life as each month goes by?

We all know how important it is for a young couple to be able to acquire their own home. At today's prices, most newly married couples cannot even save the down payment. And if they are fortunate enough to squeeze out the down payment after much scrimping and sacrifice, they cannot meet the monthly payments. When they look ahead and realize that they will be paying three or four times the contract price for their home due to high interest charges, life immediately becomes less interesting and they have a feeling that they will be plodding to pay for most of their lives. If homes were available at decent or reasonable amounts there would be fewer social problems. Young families should not be compelled to live under circumstances that place pressures on marriages and where children enter the world with unhappy, disillusioned parents.

Surveys conducted on crime have revealed that the majority of offenders come from environments of uncertainty, and in some cases have parents who were burdened beyond their ability to meet the demands that society had placed upon them. Those of us who have never had to stop to think about purchasing a home, or who have never felt insecure in our family life, perhaps cannot visualize what the day to day scrimping, worrying, never-ending anxieties can do to a person's general outlook. I do not think it would be unfair to say that the federal government could cut some of the many millions of dollars it now proposes to spend on government structures, which are certainly not needed. Renovations, expensive trappings for offices, multiplication of staff, uncalled for trips by government officials and public servants could total several million dollars.

● (1710)

Almost daily we have new reports of fantastic plans for growth in buildings and other government expenditures. I do not believe this is at all necessary at a time when so many taxpayers are finding it impossible to even purchase food and other daily requirements. A cutback in unnecessary government spending would be a step in the right direction. This is a step this government has never been prepared to take, but I hope that it will be taken during this second session of the twenty-ninth parliament. There must be a start some time—and it should be now during this serious time of inflation in the year 1974.

Mr. Hees: Mr. Speaker, may I call it five o'clock?

At 5:12 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 4, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

TRADE

LAW GOVERNING FOREIGN-OWNED COMPANIES LOCATED IN CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. The matter of urgent and pressing necessity concerns the immediate danger of the loss to Canada of a sale of locomotives worth $25 million to Cuba and the potential loss of much more in the early future as the result of the failure of the government to make unequivocally clear that all companies operating within Canada are to trade according to priorities established by the government of this country and not to be subservient to foreign law. I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House instructs the Minister of Industry, Trade and Commerce (Mr. Gillespie) to make a statement in this House within 48 hours asserting the primacy of the above-stated principle for all foreign-owned companies located in Canada.

Mr. Speaker: Does the House give unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

FISHERIES DEVELOPMENT ACT

AMENDMENT TO PROVIDE FOR PAYMENTS FOR MODIFICATION AND CONVERSION OF VESSELS

Hon. Otto E. Lang (for the Minister of Fisheries) moved for leave to introduce Bill C-2, to amend the Fisheries Development Act.

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

ENVIRONMENTAL CONTAMINANTS ACT

MEASURE TO PROTECT HUMAN HEALTH AND ENVIRONMENT FROM CONTAMINATING SUBSTANCES

Hon. Otto E. Lang (for the Minister of the Environment) moved for leave to introduce Bill C-3, to protect human health and the environment from the release of substances that contaminate the environment.

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

* * *

EXPORT AND IMPORT PERMITS ACT

AMENDMENTS RESPECTING EXPORT OF NATURAL RESOURCES PRODUCTS AND LIMITATION OF IMPORT OF FARM PRODUCTS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved for leave to introduce Bill C-4, to amend the Export and Import Permits Act.

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

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METRIC SYSTEM

TABLING OF FIRST REPORT OF COMMISSION

Mr. Speaker: Is the hon. minister rising on a point of order?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I rise on motions. Pursuant to Standing Order 41(2), I should like to lay on the table of the House, in both official languages, the Metric Commission's first report.

Mr. Speaker: Is the House agreed that we return to motions for this purpose?

Some hon. Members: Agreed.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

CONSUMER AFFAIRS

PROPOSED INCREASE IN PRICE OF BREAD—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the right hon. Prime Minister in the absence of the Minister of Consumer and Corporate Affairs. I am sure the matter is of such importance that the Prime Minister will be familiar with it in any event. I should like to ask whether the government has taken appropriate measures to prevent unreasonable increases in bread prices? Can the Prime Minister tell the House what action the government has taken since last Friday?

● (1110)

Right Hon. P. E. Trudeau (Prime Minister): Since last Friday?

Mr. Stanfield: Since last Friday when the minister spoke.

Mr. Trudeau: Yes, Mr. Speaker. The minister has been in communication with many of the important sectors of the baking industry. He has secured assurance from some of them that they would not increase the price by four cents. He is in the process now of trying to nail down this agreement, as it were, and I am certain he will want to report on the good news if indeed it materializes as we hope it will.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs who has now entered the House. I should like to ask him specifically what action he has taken to prevent an unreasonable increase in the price of bread and, more specifically, whether he has told the bakeries what bread price increase the government considers to be appropriate and will permit and, if so, what price increase has been authorized?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, Friday afternoon I asked the Bakery Council to transmit to their members my request that they not increase the price of bread beyond the level considered acceptable by the Food Prices Review Board until they have held further meetings with the board. I have just received a message, which I will attempt to paraphrase, from the Bakery Council of Canada.

"Many bakery companies have agreed to restrain their increases to every extent possible. Other bakeries have already incurred cost increases of such magnitude they are simply unable to agree to any change from their action for even a week. They recognize, however, that competitive market pressures will undoubtedly force restraint. In the Bakery Council's overall assessment of the situation, therefore you can expect the general restraint of one cent per 24-ounce loaf through the month of March. This would indicate a move of two cents per 24-ounce loaf in most markets and three cents a loaf in some. This would be broadly in line with the Food Prices Review Board recommendation." The council completes its message by saying it "shall proceed to resolve a further meeting with the Food Prices Review Board as quickly as a satisfactory meeting format and date can be arranged."

[Mr. Speaker.]

Some hon. Members: Hear, hear!

Mr. Bell: Big deal!

Mr. Stanfield: Mr. Speaker, in view of the fact that the response seems to be a little vague in some respects with regard to any assurance, can the minister indicate to us what position the government is in fact taking, whether the government is simply leaving it to the further discussions that are to take place in the hope that something satisfactory will happen, or is the minister indicating to the industry what price increase the government considers to be acceptable?

Mr. Gray: Mr. Speaker, I think my hon. friend's question is really hypothetical. I can just reiterate the message I have received from the Bakery Council to the effect that "in the bakery council's overall assessment of the situation therefore you can expect the general restraint of one cent per 24-ounce loaf through the month of March." They conclude by saying that they will proceed to have "a further meeting with the Food Prices Review Board as quickly as a satisfactory meeting format and date can be arranged."

PROPOSED INCREASE IN PRICE OF BREAD—PURPOSE OF FURTHER MEETING BETWEEN BAKERY COUNCIL AND FOOD PRICES REVIEW BOARD

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, in view of the fact the Food Prices Review Board had in its possession prior to the publication of its report the confidential financial statements of the bakeries, would the minister indicate to the House what purpose is to be served by a further meeting between the Bakery Council and the Food Prices Review Board unless it is to permit the Bakery Council a further opportunity to bamboozle both the government and the board into permitting an increase which at this point they have publicly stated is not justified?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Food Prices Review Board issued a report stating what increase in the price of bread it considers justified. It seems to me there would be good grounds for allowing the Bakery Council a chance to state its position and discuss it with the board so that any further action that would be required would be taken in light of that further discussion. I think the important thing to note is the message I received from the Bakery Council indicating that in its view there would be restraint for the month of March on bread prices to the level considered acceptable by the Food Prices Review Board.

Mr. Grier: In view of the fact the assurances from the Bakery Council quoted this morning by the minister have a hole in them large enough to drive a bakery truck

through, may I ask the minister what steps the government is taking to equip itself with the power to force a roll-back either of these prices or any other prices which in the view of the board are not justified and which the retailers and wholesalers are unprepared to roll back?

Mr. Gray: The Prime Minister stated last September and in August, if I am not mistaken, that the government would be prepared to take further action where there were unwarranted price increases, as determined by the Food Prices Review Board, which the parties were unwilling to correct voluntarily. I think the important thing to do is to see the results of this effort that has just been announced. Certainly this is not the time to announce a further policy in this regard, not until we have seen the results of these efforts.

POSSIBILITY OF VIOLATION OF COMBINES ACT BY BAKERIES—LEGISLATION TO PROTECT CONSUMERS AGAINST FURTHER INCREASES IN BREAD AND MILK PRICES

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I ask the minister if during the course of his discussions with the Bakery Council on Friday he discussed with them the implications of the Combines Investigation Act? I ask that question in view of the reference made to this by the Food Prices Review Board in its report. May I also ask the minister why he did not contact the Bakery Council when the Food Prices Review Board first reported on February 18?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, first of all, the Food Prices Review Board report of February 18 was stated to be a preliminary one. I personally thought it advisable to consider what further action should be taken in light of their more complete report, and promptly on its receipt action was taken.

With respect to the first part of the question, I certainly did not think it proper to go into the type of area my hon. friend has mentioned. I said in the House on Friday that that aspect of the Food Prices Review Board report has been drawn to the attention of the director and certainly he is in a position to carry out his responsibilities under the law.

Mr. McGrath: In view of the fact the minister has not received a total commitment from the Bakery Council and in view of the anticipated increases that can be expected not only in bread but in milk as well, I ask the minister what immediate steps the government proposes to take in a legislative way to protect the consumers of this country from any further increases in these two very basic staple foodstuffs?

Mr. Gray: The government will be prepared to take appropriate action where necessary as it has demonstrated its commitment and ability to do over the past months.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We should try to complete the first round of questioning. If hon. members have more supplementaries on this subject we might return to it later.

Oral Questions

TRADE

CUBAN ORDER FOR LOCOMOTIVES PLACED WITH MONTREAL FIRM—RESULTS OF REPRESENTATIONS TO UNITED STATES GOVERNMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Last week I asked the minister if the government had been attempting to facilitate the sale of locomotives to the government of Cuba and he informed the House that some communication had taken place between our government and the government of the United States. Is he now in a position to inform the House what the results of that communication were?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have no further word at the present time.

APPLICATION OF CANADIAN RATHER THAN U.S. LAW TO SUBSIDIARIES OF AMERICAN COMPANIES OPERATING IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Would the minister follow the example of Argentina which declared unilaterally that corporations operating within its borders, whether they are subsidiaries of United States companies or not, must operate according to Argentinian law, which led to American subsidiaries in Argentina going to Cuba last week on their own without consulting the United States and obtaining rather substantial orders for their products?

● (1120)

Hon. Mitchell Sharp (Secretary of State for External Affairs): So far as I know, Mr. Speaker, corporations in Canada do obey Canadian law. If the hon. member has some evidence that they do not obey Canadian law, I would like to have it.

Mr. Speaker: The hon. member will be recognized for a second supplementary, following which the Chair will see the hon. member for Roberval.

Mr. Broadbent: In view of the fact the firm in question in Montreal did exactly what firms now operating in Argentina no longer do, namely, consult its parent body in the United States before proceeding to sign a contract, would the minister assure the House that this is not in fact the general operating procedure for firms within Canada?

Mr. Sharp: Mr. Speaker, that, of course, is a different question. I can assure you that the government of Canada, at all levels, has been making representations to the United States government. My colleague, the Minister of Finance, has been in touch with his counterpart in the United States. My department has been in touch with the State Department. Dr. Kissinger has been away. The matter has now been brought to his attention, and we hope it will have a good outcome.

Oral Questions

[*Translation*]

AGRICULTURE

QUEBEC—PETITION REQUESTING SUBSIDY FOR PURCHASE OF SEED GRAIN

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I have a question for the Minister of Agriculture.

Can he tell us if he is aware of a petition signed by all the farmers of the Roberval-Lake St. John area asking for subsidies for the purchase of feed grain this spring? If so, did he give a positive answer to this request?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I did not catch the translation. Did the hon. member say feed grain or seed grain? I do know a request for aid of some kind has come in from the farmers of that area, but I am not in a position to say what action is going to be taken.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I was speaking of seed grain. Everybody knows that this year we are in short supply due to the weather. We are worried about seed grain.

[*English*]

Mr. Whelan: Yes, Mr. Speaker, I am aware of their request, but no action has been taken up until this time. We are consulting with the provincial authorities.

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AIR TRANSPORT

CRASH OF TURKISH PLANE IN FRANCE—SUGGESTED PROVISION OF DEATH PENALTY IN CASES OF INTERNATIONAL TREASON

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. While as yet there is no direct proof that the awful air tragedy which occurred yesterday in the crash of a monster Turkish aircraft in France was caused by international revolutionaries, this is suspected. In recent cases it has been established that there seems to have been a war declared against innocent pilots, crews and passengers on airliners. In view of the fact that the taking of a fellow human being's life in war is justified, and as this is war that is taking place today against innocent people, has any consideration been given by the government, in collaboration with other governments in the western world, to providing that in cases of international treason such as this the penalty shall be death?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the right hon. gentleman knows, Canada has been in the forefront of the countries that have been trying to get effective international action. We are prepared to take all measures necessary to prevent hijackers operating from Canada. We have been endeavouring to get agreement that there shall be no safe haven for hijackers. This would be the most effective measure that could be taken. Unfortunately we have not been able to get the agreement of all countries in the world.

Mr. Diefenbaker: Mr. Speaker, as one who has been an avowed opponent of capital punishment within one's own country I ask this question: Does the minister not consider that this, the latest of several tragedies and the greatest of all, demands not only that the wrongdoers shall not have refuge in any country but that each of the countries within the western world should in fact regard what has taken place as international treason and thereby subject to the penalty of death?

Mr. Sharp: Mr. Speaker, I am sure we all share the abhorrence of this dreadful crime that has been committed, if in fact it has been committed as the hon. gentleman said—but the problem is not the punishment; it is bringing these people to trial anywhere in the world.

Mr. Diefenbaker: A very weak answer.

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TRADE

CUBAN ORDER FOR LOCOMOTIVES PLACED WITH MONTREAL FIRM—BASIS FOR CANADIAN REPRESENTATIONS TO UNITED STATES GOVERNMENT

Mr. David Lewis (York South): Mr. Speaker, I want to ask a supplementary arising out of the answers given by the Secretary of State for External Affairs to the hon. member for Oshawa-Whitby regarding possible trade with Cuba. If I understood what the minister said, it was that the Canadian government was making representations to the United States government regarding a possible deal. May I ask the minister on what basis it is necessary for the Canadian government to request the intercession of a foreign government in an export deal between a Canadian company and some other country? Is it not time for this kind of thing to end so far as Canada is concerned?

Mr. Diefenbaker: It ended under my administration.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I entirely agree with the hon. gentleman that this kind of action is most undesirable and does not promote good relations between our two countries. But may I say to him that it is not any law of Canada that has been broken but it is a law of the United States that is in question. Americans are being prosecuted in the United States, or could be, for actions taken in Canada. I agree with him that this is most reprehensible, but one has to change the laws of the United States, not of Canada.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: It ended under my administration.

Mr. Speaker: Order, please. When the hon. member rose on a supplementary to the previous question we were on a question asked by the right hon. member for Prince Albert. I believe the hon. member for Edmonton West has a supplementary to that question, following which the Chair will recognize the hon. member for Dauphin.

AIR TRANSPORT

CRASH OF TURKISH PLANE IN FRANCE—SUGGESTED PROVISION OF DEATH PENALTY IN CASES OF INTERNATIONAL TREASON

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, reverting to the question asked by the right hon. member for Prince Albert and bearing in mind the concern the minister expressed about the difficulties of apprehending and bringing these people to trial, surely all that is involved is the law within Canada relevant to incidents of this kind. Does the minister not agree that what we do in Canada is not dependent upon what is being done abroad and that the answer is a change in the law of Canada for this particular type of heinous crime?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, whether capital punishment should be restored for a crime of this kind is for the House to decide, but to change the law in Canada would not prevent a Turkish airliner from being destroyed in France, resulting in 350 people being killed. Changing the law in Canada is not going to change that, I regret to say.

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CONSUMER AFFAIRS

PRICE INCREASES—MINISTER RESPONSIBLE FOR STUDY AND ASSESSMENT—GOVERNMENT GUIDELINES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the right hon. Prime Minister. In the Speech from the Throne the government stated that it would "cushion consumers against sudden and disruptive price increases in essential commodities". Can the Prime Minister tell the House which member of his cabinet has been given the over-all responsibility for the study and assessment of such price increases?

Mr. McGrath: Not the Minister of Consumer and Corporate Affairs, that is obvious.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would repeat the position stated by the Minister of Consumer and Corporate Affairs, which is the position I took last August and September, that if we have to bring in legislation it will be brought in in the name of the government by one of the government ministers.

Mr. Ritchie: Has the government laid down the general guidelines that will apply to determine what is "disruptive" and what are "essential commodities"? Have these criteria been established with regard to any increases in prices of commodities as of now?

Mr. Trudeau: Mr. Speaker, if the hon. member refers to my statement he will see, I believe, what he calls general guidelines. The nature of the disruption, its magnitude and its effects on the Canadian economy are, of course, matters for political judgment. I hope the opposition party, as well as the government, recognizes, for instance, in the case of oil, that there have been disruptive events which have caused undue rises in the price of oil internationally.

AGRICULTURE

DAIRYING—INCREASES IN PRICES OF FEED GRAIN, SEED, BINDER TWINE AND OTHER FARM NECESSITIES—GOVERNMENT ACTION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is directed to the Minister of Agriculture. With the cost of feed grain, seed, binder twine and many other farm necessities rising by 100 per cent to 300 per cent, what steps is the minister proposing to prevent the complete disintegration of the dairy industry in Canada?

• (1130)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I held ongoing meetings with the dairy farmers while parliament was in recess. I have made a submission to my colleagues that will be dealt with shortly, as I promised the dairy farmers of Canada, because I realize the importance of this industry to our nation, as I think all Canadians do.

Mr. Ellis: I know the minister has been talking about this matter, but will he tell us whether he will support the requested $2 increase in the industrial milk price?

Mr. Whelan: Mr. Speaker, we agreed with the dairy farmers of Canada to submit a ten-year program for the dairy industry, not a year to year program. That is the end toward which we are working.

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TRANSPORT

POSSIBILITY OF LEGISLATION TO COMPEL USE OF SEAT BELTS IN AUTOMOBILES

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, may I direct my question to the Minister of National Health and Welfare. In view of the fact that at a recent meeting of the federal and provincial health ministers mutual agreement was reached that the compulsory use of seat belts would indeed cut traffic deaths by 700 annually in Canada, could the minister inform the House whether a concrete consensus was reached at that meeting to have such legislation introduced in the provincial legislatures, as I understand that such legislation falls under provincial scope?

Hon. Marc Lalonde (Minister of National Health and Welfare): Yes, Mr. Speaker, there was unanimous agreement among the provincial ministers of health that such a measure would be appropriate. Obviously, this is a matter for the ministers to raise with their provincial colleagues in each cabinet, and it would be up to each provincial government to decide if and when such a measure would be implemented.

Oral Questions

EXTERNAL AFFAIRS

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—FEDERAL-PROVINCIAL REPRESENTATIONS TO UNITED STATES AUTHORITIES—JOINT POLICY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is addressed to the Prime Minister. It involves the Skagit River problem in British Columbia. I have given notice to the Prime Minister. Can the Prime Minister tell the House what federal-provincial negotiations relating to terms of settlement of the Skagit River issue with Seattle have taken place since June, 1973?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, a great deal of negotiations has taken place. I cannot say that negotiations have been completely concluded, but I can say, to reassure those who are concerned about the flooding of the Skagit, that the federal government is presenting before the Federal Power Commission of the United States, before the deadline of March 15, a very substantial brief against the flooding. As of this day I cannot indicate whether or not that will be a brief presented with the support of the government of British Columbia, but the federal government is presenting that brief, regardless. If the hon. member wants to ask a question closer to the deadline, perhaps I may have further news for him regarding the nature of the presentation.

Mr. Fraser: I thank the Prime Minister for his answer. I wonder if he could be a little more definitive in telling us whether, at the present time, any joint federal-provincial policy on a basis of settlement has been achieved?

Mr. Trudeau: Mr. Speaker, I suppose it would be fair to say that there is, presumably, agreement on the part of both that the Skagit should not be flooded, but the way in which the representations should be made to the Federal Power Commission has not been agreed on by the government of British Columbia. The position of the federal government is that the two principals in this question are the government of British Columbia, which has received over a period of many years compensation from the city of Seattle in lieu of the flooding in order to pay in advance for the flooding, and the city of Seattle. The federal government is acting particularly as an authority in international dealings. We are attempting to put the case for British Columbia as strongly as we can because we are irrevocably opposed to the flooding. Whether British Columbia wishes to support us in this presentation has not yet been determined.

Mr. Speaker: Order, please. The hon. member for Prince Edward-Hastings has a supplementary to a previous question. He will be recognized for that purpose and the Chair will then see the hon. member for Winnipeg North Centre.

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AGRICULTURE

POSSIBILITY OF FORGIVABLE LOANS AT LOW INTEREST RATES TO ASSIST FARMERS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of Agriculture following the question put to him by the hon. member for Hastings. Keeping in mind the statement in the Speech from the Throne with regard to assisting farmers, does the minister anticipate that forgivable loans at low interest rates will be part of the legislative package he will be presenting to Parliament in the near future?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I would be wrong if I said it has not been considered, but it has not been finalized, either.

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VETERANS AFFAIRS

RECIPIENTS OF WAR VETERANS ALLOWANCES, OLD AGE SECURITY AND GUARANTEED INCOME SUPPLEMENT—PROVISION OF COST OF LIVING INCREASES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In view of the fact that on both December 10 and January 3 the minister said that the necessary steps would be taken so that veterans in receipt of old age security and the guaranteed income supplement on the one hand and the war veterans allowance on the other would get the cost of living increases in both those benefits which were due in January, whereas the order in council permitted them to get the OAS and GIS increase but not the WVA increase, will the minister say whether this question is being reviewed?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, this matter is being reviewed.

Mr. Knowles (Winnipeg North Centre): Ten o'clock, Mr. Speaker.

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HEALTH

MEDICAL RESEARCH COUNCIL—REQUEST FOR INCREASE IN BUDGET EQUIVALENT TO RISE IN COST OF LIVING

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of National Health and Welfare and is related to the Medical Research Council. In view of the serious cutbacks in medical research in Canada and in view of the possible brain drain resulting from the lack of funds, will the minister give his assurance that the moneys allocated to the 1974-75 budget of the Medical Research Council will be increased by an amount at least equivalent to the rise in the cost of living, calculated on the total expenditures in 1973-74 including the belated $1 million grant which of course was far too little and too late?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my hon. friend is entitled to his opinion on this matter.

EXTERNAL AFFAIRS

REPRESENTATIONS TO FRANCE AGAINST BOARDING OF "GREENPEACE III" BY FRENCH SAILORS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, may I direct my question to the Secretary of State for External Affairs. In view of the government's announced grant of $12,000 to Captain David McTaggart of Vancouver to enable him to return the *Greenpeace III* to Canada, and in view of the minister's statement in the House that he has been pressing the *Greenpeace* case with the French government, will the minister now tell the House what official action has been taken by the Canadian government to protest the boarding of this Canadian vessel and what has been the response by the government of France?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have made presentations to the foreign minister of France on a number of occasions. My department has made direct representations to the government of France through the embassy. We are now in process of deciding in which way to press our case against the French government and the decision has not been finally made.

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IMMIGRATION

REASONS FOR REQUIREMENT OF FIRM JOB OFFER OR POSSESSION OF SKILL NEEDED IN CANADA

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct my question to the minister responsible for immigration. It is based on the fact that he has produced some important changes in the regulations regarding immigrants. Immigrants are only to be admitted if they have a firm job offer or if they possess a skill needed in Canada. Keeping in mind that there is a task force working on immigration and that the minister has been asking for suggestions from the Canadian people, can the minister tell us why he was in such a rush to bring in these changes? What was the main reason? Has he concluded there will be a higher level of unemployment in Canada this year? What was the main reason?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the interim changes in the points system, which were made by regulation, came about after five or six years of no change in the initial point system as developed, I think, in 1967. We made the decision to make these changes, based on analysis of the pattern of employment and other matters affecting immigrants over the last three or four years. The information has been made available to us recently. We know that there is a higher incidence of unemployment among immigrants who have no occupational skill capabilities. With the increasing number of applications from abroad we thought that this would be the propitious moment to make the change. It does not preclude, of course, further adjustment, as the ongoing, more profound immigration policy review is completed.

Mr. Alexander: Is it the intention of the minister to continue arbitrarily to change the Immigration Act and/or the regulations notwithstanding the fact that he has a task force looking into this matter and has requested suggestions from the Canadian people? In other words, has he abandoned the task force and has he concluded that suggestions from the Canadian people are meaningless?

Mr. Andras: No, Mr. Speaker. There would be no way in which I could arbitrarily change the legislation even if I so desired, which I do not. It would be subject to the will of the House. The regulation change is, as I said, an interim change. I do not think that we should wait to effect any improvements that have appeared to us to be wise until the task force completes its work and until that results in legislation, which, as I have indicated publicly, will probably not be until 1975. In the meantime, it appeared to be wise to make these changes.

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● (1140)

HEALTH

AMOUNT OF FUNDS PROVIDED TO MEDICAL RESEARCH COUNCIL

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. In view of the fact that government spending on unemployment insurance is $100 per capita compared with only $2 per capita for the entire medical research program, will the minister say that steps are being taken to avoid the financial crisis situation at the Medical Research Council, as it has been described by medical and scientific organizations across Canada?

Mr. Speaker: Order, please. The Chair will allow the hon. minister to reply. However, it seems that many of the questions members put before the House appear to invite statements from ministers. I respectfully suggest to hon. members that this kind of question should be placed on the order paper. If ministers were to be allowed to respond to this type of question by making general statements, I assume that members to my left and others might protest that we were taking up too much of the time allotted for the question period. The minister should be allowed to indicate whether he proposes to give this information by way of a statement when the rules make it possible for a minister to do so.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have had the opportunity of meeting representatives of the Medical Research Council on several occasions, and, following these meetings, $1 million more than had been provided at the beginning was added to the budget of the Medical Research Council. The council advises me that, as a result of this amount, it will be able to maintain the same level of research as last year.

Oral Questions

[*English*]

CONSUMER AFFAIRS

INQUIRY WHETHER CONSUMER COUNCIL WILL REPORT PUBLICLY

Mrs. Grace McInnis (Vancouver Kingsway): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the charges of the former chairman of the Canadian Consumer Council that faceless senior civil servants hiding behind the skirts of the minister are effectively varying the idea of a council that would report openly to the public instead of secretly to the minister, does the minister intend that the revived council will protect consumers by open reports or does he intend to set up a body whose opinions will be those of his department?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, its job will certainly be to help the consumer and its opinions will, hopefully, be those of the members of the council. The hon. member will be able to assess the potential of the council when an announcement is made about it in the next couple of weeks.

Mr. Speaker: The hon. member will be recognized for a supplementary and then the hon. member for Egmont.

Mrs. MacInnis: In view of the importance of assessment before the event rather than after, and in view of the fact the minister will be setting up this revived council within two weeks, will he in the meantime make a ministerial statement to the House on the functions and powers of this proposed revived council?

Mr. Gray: Mr. Speaker, I think the appropriate time to do that will be when the membership of the council is announced.

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MANPOWER

OPPORTUNITIES FOR YOUTH PROJECTS—NATURE OF CONSULTATION ON PRIORITIES—REASON FOR DISCONTINUANCE OF CONSTITUENCY ADVISORY GROUPS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Manpower and Immigration. It is with regard to the letter sent to all members last week concerning the selection of Opportunities for Youth projects this year. In view of the surprising change or reversal from the previous decision-making process both for LIP and OFY where there was involvement of people from each of the constituency areas in the decisions on priorities with regard to projects, will the minister indicate why this reversal took place and whether this will not create an enormous number of problems for his department and, in addition, place Members of Parliament in the position of having to decide the priority of projects, which I think would be most improper?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, with regard to the practice under Local Initiatives, we gave very great weight to the recommendations of Members of Parliament, although the finalization in the main was through constituency advisory groups. Quite frankly, we did not set up the advisory groups for OFY this year because of two practical problems. One is the question of time in getting the processing finished. The other is the question of the amount of money spread across the country. However, we will be consulting local people through our departmental officials and we will be consulting Members of Parliament to get their views, although I will take the ultimate responsibility for approval or rejection of any project.

Mr. MacDonald (Egmont): In order to alleviate the considerable fears among young people that this whole situation will involve a considerable amount of politics, either at the bureaucratic or partisan level, is the minister willing even at this late date to receive submissions from various members with regard to setting up acceptable constituency groups to avoid this kind of influence peddling from in fact taking place?

Mr. Andras: Mr. Speaker, I do not think there will be influence peddling. I would certainly find it very difficult at this stage to readjust to make constituency advisory groups possible. I would be delighted if the hon. member would get in touch with me and give me specific recommendations that can be looked at, although we have to get on with the process of getting these projects under way.

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ENERGY

FUNDY TIDAL POWER—AVAILABILITY OF REVIEW COMMITTEE REPORT—ALLEGATION BY NOVA SCOTIA PREMIER OF INEXCUSABLE PROCRASTINATION

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Prime Minister. Prior to the recess the Minister of Energy, Mines and Resources informed me that the re-examination report on Fundy tidal power would be made available shortly after the first ministers' conference, probably about the end of January. Unfortunately the minister is not here today. Following the first ministers' conference the premier of Nova Scotia accused the federal government of inexcusable procrastination as far as the re-examination report is concerned. Will the Prime Minister consult with the premier of Nova Scotia to bring him up to date on the facts in relation to the re-examination report and when it will be made available?

Right Hon. P. E. Trudeau (Prime Minister): Unfortunately, Mr. Speaker, I cannot give the hon. member a date. The House does know that very shortly after the first ministers' conference the Minister of Energy, Mines and Resources departed for Washington and then proceeded on a very important tour of the oil producing countries in the Middle East. It is no doubt because of this that the delay has taken place. As to this morning he had a meeting in Montreal and has been delayed by the weather. He is due in the House any moment. I hope he will be able to give the hon. member an answer either later today or some other day.

Mr. Speaker: The hon. member will be recognized for a supplementary and then the hon. member for Edmonton West.

Mr. Coates: In view of the fact it took the premier of Nova Scotia nine months to appoint representatives to the re-examination committee, will the Prime Minister advise whether prior to the premier of Nova Scotia making his statement about inexcusable procrastination he had consultations with the Prime Minister with regard to when this report will be made available?

Mr. Trudeau: None that I know of, Mr. Speaker, but here again I would defer to the minister.

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NATIONAL REVENUE

RECOVERY OF CANADA PENSION PLAN OVERPAYMENTS—AVAILABILITY TO DEPARTMENTS OF INFORMATION ON INCOME TAX RETURNS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of National Revenue. In light of reports that some 3,400 recipients of Canada Pension Plan payments are being made the subject of recovery of alleged overpayments based upon examination of income tax returns, will the minister advise why, when the Department of National Revenue is charged with the collection of contributions to the Canada Pension Plan and the Department of National Health and Welfare is responsible for payments, officials of the Canada Pension Plan payment section have access to income tax returns, or will the minister indicate to the House whether information can be obtained from income tax returns by any department of government?

Hon. Robert Stanbury (Minister of National Revenue): No, Mr. Speaker. I will be glad to look into the particular problem the hon. member mentions. It has not been brought to my attention, but I will be glad to discuss it with my colleague, the Minister of National Health and Welfare.

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● (1150)

AGRICULTURE

POSSIBLE CONTINUATION OF GRASSLANDS INCENTIVE PROGRAM TO ENCOURAGE BEEF PRODUCTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the fact that, despite recent demands that producers go into all-out production of grain, many producers are still interested in putting marginal land into grass, can the minister inform the House whether the grasslands incentive program, which was to end this year, will be continued so that farmers can maintain their beef production, a matter of interest to the consumers of Canada as well as to the beef producers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, a decision will be made on this question in a few days.

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ENERGY

OIL—MEETINGS BETWEEN PRIME MINISTER AND ALBERTA AND SASKATCHEWAN PREMIERS—REQUEST FOR ASSURANCE SAME ARRANGEMENTS WILL BE MADE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister a question. Is the Prime Minister meeting the premier of Alberta and the premier of Saskatchewan, and will he be meeting them together? Will he also assure the House and the country that, whatever deal is made with the two producing provinces and with the two premiers representing those provinces, the same deal will be made in view of the fact that Saskatchewan is implementing a special tax which the government of Alberta has not implemented?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in reply to the first part of the question, I have been and will be meeting several premiers separately, both from the producing and from the consuming provinces. There has been no attempt to make a deal, as the hon. member suggests; there has been an attempt to work out a solution that would be acceptable to every part of Canada. Every premier as well as myself, of course, will have this very much in mind when we are pursuing our talks.

Mr. Woolliams: Mr. Speaker, would the Prime Minister give us a little idea, in light of the remarks made by the Minister of Energy, Mines and Resources in which he seemed to approach the matter in an atmosphere of confrontation, what figure he has in mind that every Canadian from sea to sea will pay, apart from the cost of transportation, for Canadian crude oil?

Mr. Trudeau: Mr. Speaker, I am sure I could give the hon. member a little idea, as he puts it, and I am also sure that he might have a little idea himself. But that is not the essence of the matter. We are meeting to try to reach, not agreement on the federal point of view or on the provincial point of view but an agreement that will reconcile all points of view. That is why I reject the hon. member's suggestion regarding the federal government's approaching this in a spirit of confrontation. At the federal-provincial conference in January and since we have tried to reach an agreement by agreement rather than by confrontation, and this is our spirit still. When we are asked questions, as we often are, like: What will you do if you do not get an agreement, we answer that the federal government will take its responsibility as it should. But it is rather unfair to press us to this hypothetical position and then say that we are looking for a confrontation. We are looking for an agreement.

Mr. Speaker: Order, please. A number of hon. members are seeking supplementaries but the question period is over. I might mention that to some extent the Chair has given priority to members in the first and second rows to my left today. A number of hon. members have been

seeking the floor, such as the hon. members for Carleton-Charlotte, Victoria, Moose Jaw, Red Deer and Sault Ste. Marie. There is, of course, one prominent member in the second row who was seen but not called on to ask a question today. I thought I would mention that an effort will be made by the Chair tomorrow to see hon. members who have not been seen today.

SPEECH FROM THE THRONE

[*English*]

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Friday, March 1, consideration of the motion of Mr. Stollery for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto by Mr. Stanfield (p. 31).

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the government in the Speech from the Throne once more recognizes agriculture as an all-important industry in Canada, important to all Canadians. We need a nation of properly nourished people before we can do anything else. But agriculture is also one of the largest industries; it keeps the economy buzzing and keeps thousands of Canadians employed in all Canada. It is also one of the most complex industries. This is particularly true in regard to relations between industry, farmers and all levels of government.

The federal government is taking the lead in establishing a national food policy for farmers, for which farmers have been asking for years and years. The objectives of this policy are the basis of Liberal agricultural policies. The government's food policy has been set, first, to make sure that Canadians continue to have an adequate and dependable supply of wholesome food and, second, to ensure that food continues to be available at prices that are reasonable for the consumer and adequate for the farmer. Canadian consumers should not have to spend an unduly high proportion of their incomes in order to get a sufficient and balanced diet. Spending one-fifth of one's income on food is a very reasonable proportion to spend to keep oneself at a nutritional level that is the best in the world. Canada's record has been outstanding because Canadians spend less of their incomes on food than do consumers in almost any other nation in the world.

However, farmers need reasonable prices to provide adequate returns to encourage continued production on a steady basis of the foods that should be produced in Canada. The record in this regard is improving, but in some cases farm prices for some commodities are once again in the vise of the cost-price squeeze.

The third objective of the government's food policy is to develop a continuing Canadian supply and increasing production of those foods that give Canada a competitive advantage for the home market, for commercial export and for international food aid programs.

[Mr. Speaker.]

There are many programs directed toward achieving these objectives. Farmers' net incomes and returns have improved. The net income of farmers in the last calendar year is estimated to be in the neighbourhood of $3.4 billion, almost twice the net income received in 1972. That is fully 70 per cent better net income than the one record year attained in the Conservative years. Realized net income is expected to increase more than 50 per cent for producers this year over 1973. Production is increasing in many areas. Canadians have a plentiful supply of food and the value of our agricultural exports has been increasing. At the same time, low income families are being helped to meet increased food prices through increased income assistance payments and the indexing of these payments through programs such as increased old age pensions, veterans' allowances, family allowances, and reductions in income tax.

Consumers want assurances of more stable food prices, and producers want increased assurances of adequate and stable incomes. Not all producers have shared in the general improvement in net income. In addition to these basic facts there is also concern about transportation inadequacies, lack of storage and a conscious need for market development and research.

In each of these areas the government has definite plans. We propose to develop new and better price and income stabilization programs for farmers. When farmers have better assurances and guarantees about prices and incomes they are more willing to invest in producing the food that producers want. That, in turn, provides consumers with a more stable supply of food at steadier prices.

The changes that we propose relate support levels to changes in production costs, increase minimum support levels, increase the number of commodities supported, and reduce the length of the base period used in calculating support levels. The farmers of this country are going to be made aware that their labour through a crop season will not have been in vain.

A special national farm income stabilization plan for prairie grain growers will be introduced in times of favourable prices, which for the grain growers is the present time. The fund will be built up by contributions from farmers and the government, and whenever farm income falls below a certain point the farmers will receive payments out of the fund to increase their incomes. The funding operation will smooth the boom and bust cycles that have plagued not only the farmers but the prairie farm economy and the economy of the nation as a whole. I think everyone in all cities in Canada should take note of the fact that when we have a healthy agricultural industry with agricultural prosperity this in turn ensures that the entire nation makes better use of its natural and human resources.

● (1200)

The two-price wheat system on wheat for human consumption in Canada will be in effect for seven years, guaranteeing farmers a market at a set price at a level farmers never dreamed of even two short years ago. At the same time, consumers are being guaranteed a steady supply of flour, bread and wheat at a steady price. Consumers should know that producers are now contributing

directly to lower bread prices in Canada by agreeing not to gouge the last dollar per bushel out of Canadian consumers. That is a measure of the willingness of our farmers to help the consumer, being able to recognize a good thing at hand and able to look ahead and weigh the consequences. Some may wonder what I mean. Let me point out that the world price of wheat right now is $1 over what the domestic consumer is paying, so in reality you can say that the farmers are directly subsidizing the consumers by approximately $1 per bushel for all wheat that goes into the production of flour in Canada.

An hon. Member: Tell that to the western farmer.

Mr. Whelan: I think you are forgetting that there are some of us who farm in western Ontario and other areas who are producing the same grains, with about 90 per cent of that production going to domestic use and only 10 per cent being exported. Therefore, on a per capita basis these farmers are contributing perhaps much more.

The government also intends to change farm credit legislation to make it easier for young farmers to start farming.

An hon. Member: That is a Conservative policy.

Mr. Whelan: I note that an hon. member suggests this is a Conservative policy. I note that he has been reading some of my speeches and is adopting some of my ideas.

Some hon. Members: Oh, oh!

Mr. Whelan: Some of them have been made a part of their programs, and I hope the hon. member for St. John's East (Mr. McGrath) will go along with that. He seems to take some pride in lambasting a group of people who are trying to help in the egg marketing field. I have heard him say nothing about other marketing boards, two of which are in his province and have done an excellent job on behalf of fish producers there. They have actually increased the income of fishermen to a level they have never enjoyed before but to which they are entitled. I should like to hear the hon. member say something about that at an early date.

About 62 per cent of Canada's farmers are 45 years of age or older and will reach retirement age during the next 20 years. We often hear Members of Parliament, who should know better, harping about the income farmers are receiving, knowing full well that anyone can still enter agriculture if he wants to work on an average of 77 hours a week and receive less income than those working an average of 33½ hours a week. Anyone can still go into agriculture; it is not a closed shop. This is a great part of our society which receives a great deal less in relation to hours of work and the investment.

We need young farmers for the future. Improvements in price and income stabilization will be a great help, and there has been a trend as a result of certain measures for young people to take the step and go back into the agricultural industry.

Young farmers also need long-term credit to set up farm operations that will provide a reasonable level of income. As Minister of Agriculture it is not my intention to recommend that anybody enter agriculture with its high risks and the amount of capital investment required without some guarantee of a reasonable level of return.

The government will provide long-term credit under certain conditions. The government is proposing a further three-year extension of the Farm Improvement Loans Act under which farmers can obtain government-guaranteed loans to purchase and modernize equipment. Individual borrowing limits will be raised in keeping with the cost of topnotch machinery and equipment. Parliament will be asked to guarantee greatly increased funds available under this program.

Hon. members know that I believe orderly marketing is a goal that benefits farmers without costing consumers any more in the prices they pay for food. Some people in this House and in this city who are not farmers like myself do not seem to be convinced about this yet. They do not realize that we have the most efficient group of people in the world producing food. That is something they must realize or they cannot expect to have these people continue to produce food for them.

No one can dispute that disorderly marketing causes extreme price fluctuations, strains on storage, disrupts handling, breaks down the operation of transportation facilities and creates a need for surplus processing facilities which then lie idle or under-used for a good part of the year. Meanwhile, much produce is wasted for lack of appropriate handling while some markets and people go short six months later, with prices rising as a result. This is especially true when we do not have Canadian-produced food and our markets and people are dependent upon imports.

We have some economists in this nation, and even some Members of Parliament, who think we should produce until produce is coming out of the farmer's ears and then hope we will find markets for that produce. Such a philosophy does not lend itself toward a guarantee of any kind of production stability, and that is something I will not adopt in respect of the agricultural industry in this nation. Meanwhile, a great deal of produce cannot be marketed, and that is why our storage program is now what it is. I intend to extend our programs in this regard in the coming months.

Everyone knows that I am not a professor of economics.

Some hon. Members: Hear, hear!

Mr. Whelan: Thank God for that. I was recently shown a record an individual kept in respect of the world's best known economists. The astounding fact is that not one of them had ever been right.

Mr. Stanfield: They are all different, so some of them must be right.

Mr. Whelan: The getting in and out of production, the tooling-up of expensive machinery only to let it stand and rust one or two years later, repeated on a large scale from farm producers to the retail shelf, are eventually paid for by the consumer in higher food prices. One does not need a degree in anything to understand that.

We are, therefore, taking measures to improve marketing, among them the cash advance payments system which has worked so well for prairie grain growers. The govern-

ment proposes to increase the cash advance maximum payments per farmer and extend the system itself to all farmers across Canada for storable crops.

To complement this program, the federal government will extend its assistance program for the construction of new storage facilities. In many regions storage facilities are not adequate today, while in other regions storage is outdated and better facilities that have been invented should be constructed. Storage construction assistance is now being provided for specialized fruit and vegetable storage, and this program will be continued and extended to other suitable crops. The farmers of Canada will benefit through better market prices, and consumers will benefit from the increased supply throughout the year, through better quality food kept in topnotch storage facilities. Our research people have proved that some commodities can be placed in proper storage and taken out in just as good condition as they went in, or in some instances even better. This will provide the consumer with more stable prices and more even prices for the producers.

Other measures will be taken to improve our marketing system, including the encouragement of forward contracting and the establishment of marketing agencies to serve export markets. Grain transportation facilities throughout Canada are to be improved through assistance in the repair of existing boxcars, the purchase of more hopper cars, a study of grain freight costs and steps to ensure that existing hopper cars are being used as efficiently as possible.

The Export and Import Permits Act is to be amended to encourage further processing of raw food products here in Canada. The change will mean that, under certain circumstances, the Canadian market will be better protected for certain Canadian products when supplies are not adequate, for the greater benefit of the Canadian economy as a whole.

● (1210)

Dairy producers are having problems because of skyrocketing input costs. It is evident they must receive a price increase for milk soon, and I believe the major portion of that increase must come from the marketplace. Let those who believe that farmers should shoulder the burden of low-priced milk for the families who are less well off than most of us consider, first of all, that it is the duty of all of society to make sure the less fortunate get milk, the most healthy food in the world. Second, if the marketplace price of milk is not increased there will be less and less milk produced. Last year milk production in Canada dropped 4.7 per cent, the sharpest decline since 1920, and in New Zealand, that great dairy country, production is dropping even faster. The same thing is occurring round the world. This all amounts to the fact that in order to be a dairy producer one must work seven days a week, on statutory holidays such as Christmas and New Years and even on St. Patrick's day. Many people object to that way of life in return for the little income they receive. Therefore we must rearrange the whole dairy industry in time if we want to produce the most lifegiving substance we have that is the cheapest thing we buy in a bottle, milk, which we take for granted.

[Mr. Whelan.]

The cow is the most amazing machine ever placed on the face of this earth. No scientist or engineer has invented anything as capable as a cow. It can take the plain roughage given to it and produce one of the most healthful foods in the world. The only way Canadian dairy producers have been able to carry on is because of the co-operation of the provincial and federal governments and their breeding programs. The production of one cow in a period of 15 years has increased by nearly three times what it was.

I have a word of caution for Members of Parliament who have been quite vocal in their criticism concerning brucellosis. I have checked the actual figures with respect to brucellosis. Many farmers depend on the livestock export market for their income. Because of the statements made, so far as I am concerned without any real factual evidence, some of the importing countries have been alarmed and have made inquiries about whether or not they should still be buying cattle in this area. I can assure them that the amount of brucellosis in this area is nothing to be alarmed about. It is something to be concerned about and we are concerned about it. However, I repeat that we have the most disease-free animal population of any agricultural nation in the world.

The market for Canadian livestock producers over the past year and again at present is a very uncertain one. Producers were first faced with exorbitant increases in protein costs, then the United States price freeze, now a technical court decision disallowing the prohibition of the use of DES south of the border. Those international influences play havoc with our food production in Canada. I am heartened to hear, Mr. Speaker, that a city slicker like the mover of the reply to the Speech from the Throne, the hon. member for Spadina (Mr. Stollery), recognizes the strain under which agriculture is because of high international finance and the international speculators who are having a field day at the expense of the world's consumers of staple goods. I might mention in this regard one of the staple goods, sugar. The price of sugar has gone up approximately 400 per cent in a little over three months. I am sure that not very many sugarcane workers in the world will receive very much benefit. There are some people in Canada who think we should get sugar as cheaply as we can regardless of what effect this has on the part of the world from which the sugar comes. I do not believe that. I take this opportunity to congratulate the hon. member for having brought this sore point to the attention of the House so clearly and simply.

The market for meat and livestock products is expanding rapidly not only here in Canada but also abroad. The government is therefore developing a new livestock strategy to guarantee the producers' margin in meat production. We are also pushing ahead with meat research which is being expanded and, with more support, expanded veterinary training facilities.

An hon. Member: Hear, hear!

Mr. Whelan: I think the hon. member for Algoma (Mr. Foster) has a vested interest here. More support is also being given to research. New research programs will be undertaken in over-all food production, quality improvement, product development, mechanization and meat production. The aim is to increase production, lower costs,

improve quality and develop new outlets for Canadian produce. History has shown that the money the federal government spends for research benefits both consumers and farmers and, in the long run, consumers benefit the most.

The hon. member for Lisgar (Mr. Murta) asked what the government is prepared to do to cover the increasing input cost of farmers. The direct answer is to provide an atmosphere in which farmers can get maximum cash income to give them record net income returns. Cash income increased by 26 per cent in 1973 and 1972 which itself increased 18 per cent over 1971. Because input costs have increased proportionately less than cash income, we ended up last year with a record net income as I indicated earlier, an income away above anything the opposition members were ever able to produce when they were in government. Net income is expected to increase by another third in 1974 over last year. That will be made possible because we are keeping an eye on the admittedly rapid rising input costs.

Having taken considerable time of the House to explain the Liberal agricultural policy further, I must say I am pleased to note that members of the Conservative Party are ready to adopt the many initiatives this government is putting forward under the Liberal food policy, and so I perceive little difficulty when I present this legislation to the House.

In summary, let me say it is clear Canadian consumers are enjoying the biggest food bargain in the world. They are being served the highest quality food with ever-increasing built-in convenience, and they pay the lowest percentage of their income for food of any people in the world. Canadian farmers have improved their productivity and efficiency faster than our economy as a whole to make that bargain possible.

You know, Mr. Speaker, that other phases of society are not as productive as agriculture. We might consider that less than 7 per cent of our people produce all the food that is produced in Canada. Also, a tremendous amount of this food is exported. All we have to do is compare that with the situation in China where there are over 840 million people, 80 per cent of whom are engaged in the production of food and yet they do not produce enough for themselves. This is why we must be thankful we have the farmers we have in Canada. We also must be very cautious that we do not do something that would discourage them. I do not think we encourage people by criticizing them and watching what they do. I have some reservations about the Food Prices Review Board in this instance and how that part of society which is the most productive and has made available to society the highest quality food in the world at the most reasonable prices is watched more closely than any other part of society. I think we must be very cautious.

Many Canadian farmers have not received adequate incomes for their work, their investment and their skill, but farm incomes have finally shown a major improvement. The federal government is prepared to take important steps to make sure farmers hold on to that improvement and can lay the groundwork for an even better future. That will depend on the members of this House, the members of the provincial governments and the farmers of this nation.

The Canadian food bargain can continue in the future but only if farmers receive support from society as a whole and by this parliament. The programs the government has implemented and the ones outlined in the Speech from the Throne offer the government support that is needed.

● (1220)

Mr. Baker: Mr. Speaker, would the minister be prepared to answer a question with respect to a matter he raised?

Mr. Whelan: Yes, Mr. Speaker.

Mr. Baker: I share the minister's concern about brucellosis, and he and I have discussed this, but I also want to point out respectfully to the minister—

Mr. Speaker: Order, please. The hon. member rose for the purpose of asking a question.

Mr. Baker: Has any consideration been given by the government to increasing the compensation payable to farmers whose herds are stricken with brucellosis, and would this action be independent of the provincial government or in concert with the provincial government? Could he answer that question? There are many farmers in my area who are very concerned about the matter, and I am sure the same is true in Mr. Speaker's area.

Mr. Whelan: Mr. Speaker, last year about this time we doubled the compensation for purebred and grade cattle, fully realizing the extra cost of replacement stock, etc. I have made a submission to increase the compensation paid for cattle and as soon as it is dealt with I will be making an announcement.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I would like to start by joining the other speakers in the House who have congratulated the mover and seconder of the address, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier). I was particularly interested in the speech of the hon. member for Spadina because it was in that riding in 1945 that I first offered myself for parliament. At that time I gained great experience but very little else because I was nosed out by a mere 6,000 votes by a man for whom I have the greatest respect and liking, the present Senator David Croll. I was so short of workers that I was out on election day and at the end of it I was supervising the counting of votes in a polling subdivision. When I came back to the main committee room I found I was behind by 2,000 votes, and I never looked back from then on.

In the next few minutes I would like to deal with a subject on which the government has chosen to remain particularly silent over the past two or three years. I refer to the question of inflation which, as we see now only too well, is increasing at an annual rate of more than 9 per cent a year and gives every indication of exceeding 10 per cent during 1974.

Although recent Gallup polls show that the people of Canada have reached the highest consensus of the past 20 years in regarding inflation as the most serious problem facing our country, the Prime Minister (Mr. Trudeau) and

his cabinet refuse even to discuss it, let alone put forward positive policies to deal adequately with it. Thus, because of the state of petrified immobility which the government insists on maintaining it is up to the members of the Official Opposition as usual to put forward positive suggestions for dealing with this serious problem in the hope that the government may be pushed into taking action which is so long overdue.

First of all, what has brought about this steadily increasing inflation which has reached such alarming proportions and gives every indication of getting worse and worse as the years go on? Primarily it is the fact that during the past four years the Bank of Canada, on the instructions of this government, has increased the money supply, which is the amount of currency in circulation plus the deposits held in chartered banks, from $28 billion to $48 billion, an increase of 70 per cent, while real growth in the economy, which is the level of production, has increased by only 23 per cent or less than one-third of that amount. This very large excess of purchasing power over the volume of goods available for sale has been the primary reason why the level of prices has risen at such an alarming rate during that four-year period.

In addition to this demand-pull inflationary pressure on prices, we have also had a cost-push pressure which has been brought about by a very natural demand by workers for higher wages in order to meet the ever-rising prices of the products they have to buy in order to live. Both kinds of pressure have pushed up price levels at an ever-increasing rate with nobody really gaining and those on fixed incomes being hurt very severely.

Although the government last year introduced increases in family allowances and old age pensions in an attempt to ease the burden of those most severely hit by rising prices, we all know very well that these periodic corrections lag far behind price increases and therefore do not deal adequately with the problem. The only real answer to this problem is a reasonably stable price level which does not increase by more than 3 per cent a year, the average yearly increase in the cost of living during the past 75 years, an increase with which we have learned to live both personally and also with regard to our ability to sell our products competitively in the Canadian market against foreign competition and in the export market, on which we rely so heavily, against foreign competition. The most important reason why we must control our rapidly rising prices is that if our price level increases faster than those of our principal trading partners, our products will become less and less competitive with foreign goods being offered in Canada and in the export market, with the very obvious serious results that are bound to follow.

So I think it is clear that we must take very definite steps to keep prices in this country from rising at a greater rate than 3 per cent a year. I think it is also obvious that the only practical way to do this is to bring production up to a level where the demand for and supply of products are approximately equal.

How can this be done? It can only be done by the government offering incentives to industry and agriculture which will persuade producers that it will be worth their while to make the usually heavy expenditures necessary to expand production by the very considerable amount necessary to do the job. As we know, most producers are reluctant to make these expenditures because of the uncertainties of the future, and they need worthwhile incentives to persuade them to do so. Most producers today will say: Unless you make it worth my while to go out and expand my plant and my equipment and pay the heavy interest charges of today in order to make those expenditures, if later, in two or three years time, I am to find that demand falls off and I am left holding the bag and cannot pay those high interest charges on machinery and plant that are not being used, then I will not make those expenditures. But, Mr. Speaker, if the government makes it worth while for producers to make those expenditures, then they will be made.

● (1230)

Because we cannot sit idly by and watch the present spiraling inflation continue during the considerable period of time it will take to bring production up to the desired level, controls must be introduced to keep prices within reasonable bounds during that interval. The Official Opposition has urged a 60 to 90 day prices and incomes freeze, during which guidelines will be established for prices and incomes to keep them from rising at a greater rate than that required to hold the cost of living to an annual increase of approximately 3 per cent. It is estimated that these controls will need to be maintained for between 18 months and two years while the government's incentive program for bringing production up to the desired level is brought into being and made effective. Once this has been accomplished and production is brought up to or approximately up to the level of purchasing power, then, of course, the control program will no longer be needed and will be discontinued.

Let us ask ourselves what kind of incentive program should the government bring in to induce production to rise to the necessary levels? The Minister of Finance (Mr. Turner) says that the measure which he introduced in his budget on February 19, 1973, is the incentive that is needed to do the job. That measure, as we know, reduced corporate income taxes for manufacturers and producers from 49 per cent to 40 per cent. But, instead of requiring those who receive this tax benefit to spend it on expanding their operations, the minister greatly reduced the effectiveness of his incentive by allowing the recipients to dispose of it in whatever way they wish. They can expand their operations, put the money into the company's reserve, or pay it out in extra dividends.

The ineffectiveness of the minister's program has been demonstrated by the fact that during the year before the minister introduced his incentive this country imported $4.3 billion more of manufactured products than we exported, but during the year following the introduction of the minister's incentive the country imported $5.9 billion more of manufactured products than we exported. So we see that in one year imports increased by nearly 40 per cent over what they had been during the year before the minister introduced his manufacturing production incentive. We see that other countries have greatly increased their sales of manufactured products to this country while our proportion of sales of these products declined considerably. With that kind of economic planning by govern-

ment is it any wonder that this government is incapable of controlling inflation?

Some hon. Members: Hear, hear!

Mr. Hees: Because of these alternatives for spending the $300 million which lowering taxes to manufacturers and processors cost the remainder of the taxpayers of the country in a single year, the money that the minister has handed out to manufacturers and processors has not been spent in an effective manner and his and the government's objective of increasing production to the desired level has not been achieved. Inflation, as we know only too well, has continued to rise at an ever-accelerating rate.

What is needed to get the economy moving at the necessary accelerated pace to stop this steady increase in inflation? If a government wants businessmen to do something which it believes necessary for the good of the country, it must not simply hand them a gift in the form of a tax reduction and hope that they will make use of that incentive in the way the government would like them to do. That just does not work, and I speak from 20 years' experience as a manufacturer and six years' experience in dealing with businessmen as a member of a government. What a government must do is to tell business what it wants to accomplish, and that it will reward efforts to bring about that aim in direct proportion to the effort that is made.

Some hon. Members: Hear, hear!

Mr. Hees: To increase production by the very substantial amount necessary to bring it up to the level of today's greatly inflated demand, the government must introduce incentives to bring about five important things. The first is lower labour costs, the second is increased productivity, the third is more research and development, the fourth is more export sales, and the fifth is more processing of primary products here in this country.

I outlined, in some considerable detail, my ideas for introducing practical incentives to induce substantial improvements in these fields when I spoke on this subject at the University of British Columbia on October 11 last, and I sent copies of my detailed suggestions to the press and to the Minister of Finance. The minister was generous enough to tell me that he found them very interesting indeed. Time does not permit me to outline the details of these proposals to the House today, much as I would like to do so, but I would be very glad to send a copy of them to any member who would like to have one.

In conclusion I say to the government and to the minister: either adopt the proposals I have made for increasing production or, if you disagree with those specific proposals, then bring in ones which you consider to be preferable to them. One thing is certain, and that is that inflation will only be cured by the introduction of incentives to bring production up to the level of the greatly increased money supply that the government's policies have brought about. There is no other way to do it. This must be done. If production does not rise to that level, we will simply keep on bidding against each other for the short supply of products available to us and the price level of those products will continue to rise at an exorbitant rate as the bidding goes on and on and on, as it is today.

● (1240)

The time is long overdue for this government to stop gazing with a blank stare at the Canadian economy and professing that nothing can be done, as it has professed for the past two or three years. It is time for the government to deal with the country's No. 1 problem. Mr. Speaker, I say this to the government: if you cannot deal with this problem, then move over, because we most certainly can.

Hon. Jack Davis (Minister of the Environment and Minister of Fisheries): Mr. Speaker, I want to say a few words today about a very important subject, one that has not received the attention it should, especially from Canadians. This is the subject of ocean policy; it is the important subject of the extension seaward of Canada's limits, Canada's opportunities and Canada's responsibility.

Mr. McGrath: It has not received much attention from the government so far.

Mr. Davis: Coastal states all over the world are making a very good case for the better management of the resources close to their shores. Canada has been leading the charge in this respect. We believe that we have not only made substantial progress in the last few years but will make even greater progress before the end of the seventies.

We are pushing our limits seaward, pushing them to the edge of the continental shelf, to the continental margin, to the margin including the slope. We are extending our resource base and adding to it by between one-quarter and one-third. We are adding immensely to the total area of land and sea for which Canada is responsible. Our area in acreage terms is being increased by 40 per cent over little more than a decade.

This is a remarkable accomplishment. It is remarkable when one realizes that Canada in its land mass is the second largest country in the world. The extension of our area of responsibility on the face of this globe by 40 per cent is a great achievement. It gives rise to many new opportunities in the future and adds immensely to our responsibilities as a member of the United Nations.

Our continental shelf—the shallow waters overlying the shoulders of the shelf, the shoulders of our Canadian land mass—is immense. We have the world's biggest continental shelf and it is the wise management of that continental shelf, both of its renewable resources and its non-renewable or mineral resources, which is vitally important to our future and indeed, to that of all mankind.

Over our continental shelf swim many species of fish, few of which are caught at the present time. We have, off our east coast and our west coast, many of the world's finest fisheries. These must be managed more intelligently. They must be managed on a sustained yield basis and therefore wisely if we are to look after our own food needs, let alone those of countries which need our foodstuffs to survive.

We have only begun to work down the living pyramid of fish resources. We have only been chipping at the tip of the pyramid, taking the most readily catchable species. There are large quantities of fish protein available to us

and to other nations if we manage wisely and well, if we fish more economically and harvest more species, and if we use the latest techniques for raising the income of our fishermen.

We have barely scratched our offshore wealth in so far as minerals are concerned. We have the world's biggest continental shelf. We are bound, knowing the geological structures which are favourable, to find a great deal of oil and natural gas close to our shores. So we gain in this area, the area of non-renewable or mineral resources as well.

We are taking over these great resources, making them ours from the management point of view and, indeed, an ownership point of view, with very little effort and very little attention. Most Canadians are oblivious to these important developments because most of them live in half a dozen large cities which are concentrated along the United States boundary. They are not aware of what is going on in our outlying areas, along our coast, in the north Atlantic, in the north Pacific and in the Arctic area as well. Here is where the action is in terms of the extension of our boundaries; here is where we are increasing our resource base fantastically and in a remarkably short period of time.

We have done well to stake our claims early. We have led the charge in establishing the rights as well as the responsibilities of the coastal state. The United Nations has been unable, so far at least, to insist upon the wise management of offshore resources. Until the United Nations, or a regional body, involving many nations, can shoulder this task of wise management of resources, it is up to the coastal state, the nation with the most obvious current interest, the most intimate interest in those resources, to make sure that they are preserved, that they are conserved, that they are managed on a sustained yield basis, that the stocks of fish are not depleted, that the minerals offshore are not ripped quickly from their beds and too much left wastefully for posterity to try to recover.

We have pushed out our limits. In the early sixties our seaward limit was three miles; in the late sixties our fisheries lines were extended 12 miles seaward from our shores and in 1970 we began to draw straight base lines from headland to headland, from major promontory to major promontory. We also drew fisheries closing lines which enclosed all of the Gulf of St. Lawrence and made it Canadian, enclosed all of the Bay of Fundy, all of Queen Charlotte Sound and Hecate Strait on the west coast. By drawing the straight base lines and measuring 12 miles outside, we increased Canada's area of responsibility by more than 15 per cent.

● (1250)

I have said our area of responsibility will be extended by 40 per cent. When our limits are extended to the edge of the continental shelf we shall, physically and economically, be 40 per cent larger than we are now.

Members who are familiar with the needs and problems of our fishing communities will want me to refer briefly to the concept of the 200-mile fisheries limit. Most of the nations, the members of the United Nations which will be convening in Venezuela in August, 1974, will be arguing for a 200-mile fishing limit. Canada's approach, of course, will be that it favours a 200-mile limit but that our limit should be more than 200 miles wherever the limit of our continental shelf, the extent of our continental margin, is more than 200 miles offshore. The principal area where our continental shelf reaches out more than 200 miles is the Grand Banks. There, our continental shelf, in places, extends as much as 400 miles seaward from Newfoundland. Our basic fisheries policy, therefore, calls for a limit of 200 miles from shore and for more than 200 miles where the edge of the continental shelf is more than 200 miles from land.

This big reach seaward by Canada casts shadows in many directions. By controlling oil drilling rigs, we will better be able to control pollution from gas and oil operations near our shores. By controlling our fishery, that is, the operation of fishing vessels as well as processing plants, we will not only be able to maintain our fish stocks in a healthy state but, as well, discipline those who sail through our fisheries waters and discharge pollutants—I am speaking of pollutants discharged from freighters and tankers—of various kinds. Ocean dumping will be easier for us to control. Oil spills will be less frequent because we will insist on Canadian standards. Ships passing through our more ecologically sensitive areas will be better built, better managed and better operated than ever before.

While I am on the subject of shipping I should add a cautionary note. Ours is a big country. Distance has always been a major problem. It is a big cost factor both from a transportation and a communications point of view.

We must encourage mobility wherever possible. We do not want to hold up shipping unnecessarily. We must not badger our neighbours who sail their ships close to our shores on their way across the Atlantic or across the Pacific. So, we must be reasonably flexible in our thinking. We must push out our limits, especially our resource development limits, limits connected with the fisheries, oil and gas, but we must also conduct our affairs in such a way as to minimize the hindrance to shipping, a hindrance which our laws and regulations would otherwise bring about. Limits applying to the resources and their exploitation, relating to the edge of the continental shelf, to the 200-mile concept with respect to fisheries, and mining must not be seen as applying necessarily to shipping. We must make sure that the shipping industry is careful in its operations and that it is non-polluting. On the other hand, we must not introduce policies, laws and regulations which hinder mobility, which hinder shipping unnecessarily. I am speaking not only of ships visiting Canadian ports but going into United States ports and ports of other countries as well.

I am all for zoning. We are busy zoning our sensitive offshore areas. We are not only securing our outer limits of control, and here I am speaking of the continental shelf, but we are also identifying those parts of the shelf which are unique from the biological point of view. We are pinpointing the sensitive spots. We are describing on detailed maps many thousands of square miles in which offshore drilling must be banned, where certain kinds of fishing should be outlawed, where shipping must either be slowed down or, indeed, prohibited, and where land-based

industries must be prevented from discharging their wastes into rivers that flow directly into the sea.

Let us take a typical example, that of the big oil tankers. Like big trucks in a well run municipality, they should be confined to certain shipping lanes, certain express routes, so to speak. They should be kept out of our parks, that is, our offshore parks and our biologically sensitive areas. Trucks are not allowed to blast through residential areas. Following this analogy, these big tankers should stay away from our built-up areas and, certainly, from our high value recreational areas. They should avoid bays, inlets and straits where the value of waterfront property is high. They should certainly avoid those narrow waters where the likelihood of accidents is high.

They should stay out of our precious inland seas where nature on her own has difficulty in dealing with oil spills. They should be confined to certain shipping lanes on the high seas and in approaching a Canadian port they should be guided and controlled by the interests of living things and of living communities. They should bend to the dictates of our living environment, of our wild living things, as well as people who make their homes along our shores. May I call it one o'clock?

Mr. Speaker: It being one o'clock I do now leave the Chair. The House will resume at two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Davis: Mr. Speaker, when the House rose at one o'clock, I was referring to the need to map and zone our offshore areas so to indicate where shipping may or may not pass, where drilling for oil or natural gas can take place and where it cannot take place and to indicate sensitive areas near our shores with a view to prohibiting certain industries from locating near by.

The government has to work closely with industry in this regard. We do not know enough about the effects of pollution on the living resources of the sea. We do not know enough about the effects of oil on ice. We do not know enough about the climatic consequences, even of flying big jets over our northern ice pack at 40,000 feet in the wintertime. Therefore, we have to be very careful. We have to work closely with industry. We have to measure things as they are; in other words, develop baseline data. We must launch pilot projects and measure what their effects are before and not after we allow large-scale operations to proceed.

We are proceeding carefully. For example, we have banned oil drilling from the Georgia Strait on the west coast. We are making sure that the necessary environmental studies are carried out in the Beaufort Sea before drilling can proceed on the north slope off Alaska. There won't be any new chemical industries operating in our coastal communities unless they incorporate the latest technology for keeping their harmful effects to the minimum. There won't be any estuaries paved over for port development if we can help it. There won't be anything like as many waste products discharged into our rivers and from there into the sea. By far the largest volume of pollutants entering the sea originates with big industries, cities and towns, hence into our rivers and into the sea.

Some hon. members may be skeptical about our determination to zone areas, particularly areas offshore, and make sure that the more sensitive of these areas are protected from the ravages of industry. They may be skeptical about our determination to cut back on land based pollution. They are not sure we can hold on to our continental shelf from the point of view of drilling for oil. They are skeptical about our ability to gain a 200 mile limit for fishing. They do not think we can control shipping, but we must.

I can't understand this defeatism. I am optimistic on this score. I believe that the continental shelf will continue to be ours in so far as oil and gas are concerned. I believe we will have a continental limit for our fisheries and that we will be able to control pollution within the same 200 mile plus zone.

What evidence can I give you to support my optimism? I can point to joint ventures which are now being explored by foreign corporations and in consultation with Canadian companies. Why are these foreign corporations trying to get inside our enlarged Canadian fishing zones, for example? Why are they talking about turning over some of their catches for processing in Canada if they do not believe we will be successful in obtaining greater jurisdiction over the waters and shelf near our shores?

● (1410)

When we drew our long fisheries closing lines across the mouth of the Gulf of St. Lawrence, we set a number of events in train. We gave other fishing nations notice and told them that we would negotiate phasing out agreements. One after another Norway, Denmark, the United Kingdom, France, Portugal and Spain came to terms. Broadly speaking, they agreed to get out of the gulf by 1976. That seemed a long time off in 1971, but it does not seem so long in 1974. We agreed that they could return, or that some of their vessels could return, for five years, while there was some life left in them. They got a period of depreciation which they claimed was customary, but not one year, one month or one week longer.

This phasing out process will undoubtedly occur with respect to our broader continental shelf limit as well. There will be a phasing out period for nations which have fished close to our shores. But as long as they continue to come to our waters they will have to fish according to our rules. They must confine themselves to quotas well within our concept of sustained yield in our waters.

I said that a number of countries are already bowing to the inevitable in this regard. Poland, for example, has been negotiating with a Nova Scotia firm to bring their herring catch in the North Atlantic to Nova Scotia for processing. The Norwegians are negotiating with a Newfoundland company to help catch capelin in the North Atlantic. Their catch will be processed in Newfoundland. Spain is interested in a joint venture on the Grand Banks. The Japanese are also visiting Canada with a view to setting up joint ventures that will allow them to continue to operate for a time in waters that are generally regarded as international

waters today but which will become part of Canada's own responsibility tomorrow.

We are prepared to talk to these foreign interests and to enter into pilot projects. But we are not prepared to make long-term commitments say, for more than a year. We are interested in knowing more about their fishing methods, the kind of fish they catch, and the nature of the processing which is required to serve their markets.

We are much more interested in operations that will provide opportunities for employment for Canadians who process on shore. We are also determined, taking the longer view, that Canadians will catch more of these fish, thus phasing out the operation of foreign vessels near our shores. We are determined that our fishing vessels will be built in Canadian yards, and that the fish products caught by Canadians will be processed in Canada as well.

As for foreign ownership, our Canadian fishing industry today is overwhelmingly Canadian: it is 85 per cent Canadian owned and controlled. I should like to see this figure increased, as I am sure many hon. members would. This is why we are insisting on the Canadian ownership of individual vessels. In some of our fisheries, fisheries that have been limited in size because of limited resources, we have adopted a ticket of entry approach. The boat is the ticket of entry. Canadians own those boats, and there is no way in which those boats can be allowed to slip into foreign hands.

Perhaps I should put it another way. Unless a company can prove that it is 75 per cent or more owned by Canadians, that 75 per cent or more of its shares are owned in this country, it will be unable to expand. It will not be able to add to its existing fleet by buying up tickets of entry, Canadian boats. It will not be able to expand its fishing capacity relative to that of other Canadian companies, firms, partnerships and individuals in this country. It will not be able to catch a larger share of the fish that is available to our own, over-all fishing fleet.

Why do I stress this point, Mr. Speaker? Because a large Japanese firm, Marubeni, recently bought shares in one of our west coast fish packing companies. The Canadian company had 100 boats, or tickets of entry, in our limited west coast salmon fleet. There is no way in which a foreign corporation should be able to take over one of our fisheries. There is no way in which foreigners should be able, in effect, to get inside our new fishing limits, and gain control, in this case exclusive control, of the right to fish in this country.

In the case of that particular west coast fish packing company, 51 per cent Canadian share ownership will not be good enough. It will have to be 75 per cent plus before it is again on the same basis as other Canadian fishing companies. Either that, or they will have to be satisfied with 100 boats in a 6,000 boat fleet. The company will not be able to grow; it can only decline. It cannot expand its fishing operations until it qualifies as a Canadian company again.

I have dwelt on this question of joint ventures for several reasons, Mr. Speaker. First, I wanted to prove that a number of the most aggressive long distance fishing nations now see the 200 mile limit as a reality. Second, I want to tell hon. members what I have already told our fishing industry a number of times, namely that we have a 75 per cent Canadian ownership rule and that this will be enforced rigorously from now on. We are going to look after our resources on the continental shelf. We are also going to make sure that they are harvested by Canadians in Canadian-owned vessels, and that the products are processed in this country as well.

This is an aggressive approach. It is an aggressive stance to take. But we are moving in the nick of time. We are pushing our limits out before, and not after, the living resources of our continental shelf are over fished and other countries begin to look covetously at our oil. We are moving on the ownership front before we have a foreign ownership problem in Canada, not afterwards. We are pressing out our limits in the interests of conservation. We are insisting that our renewable resources be cropped on a sustained yield basis, not decimated by the foreign fleets as in the past. We are also making sure that the oil companies take the long view in so far as the management of our offshore minerals are concerned.

What other attitude can we take, Mr. Speaker? The coastal state has the biggest stake in the wise management of its renewable resources. The United Nations cannot look after these resources for it. Multinational commissions are often influenced unduly by distant water countries, whose attitude typically is one of moving in quickly, taking everything they can and getting out again. This does not make sense.

I am one of those who believes that economics has its place. Looking far enough ahead, economics will be compatible with sound environmental management. We in Canada must move with the grain of nature. We must move out, among other things, to the edge of the continental shelf. We must insist that the whole of the continental shelf and slope is ours from a management point of view and from a harvesting point of view.

We are in the process of expanding our limits, pushing them out. As I said at the outset, we are increasing our land area out to sea by as much as 40 per cent. We are encompassing great resources, resources that are needed not only by Canadians but by all mankind. I believe that Canadians, in taking these steps, will not only be looking after the needs of future generations of Canadians, but the best interests of all the worlds peoples as well.

In closing, Mr. Speaker, I should like to refer to five pieces of legislation which are being brought forward this session. Two pieces of legislation among these were tabled today. These bills will be considered by hon. members and, I trust, passed quickly. Some of them can be passed with little debate because they are simple bills indeed. There is a bill to make guaranteed loans to small fishermen. There is a bill to amend the Fisheries Act, having to do with foreign ownership, among other things. There is a bill to amend the Fisheries Development Act in respect of better storage facilities and increased production of fish. There is a bill called the Environmental Contaminents Act, and ocean dumping legislation. I commend these bills to hon. members and trust they will be passed in this session. Then, we will be on our way toward establishing much wider limits seaward from Canada and taking on more responsible and wise management of these limits for the benefit of mankind.

● (1420)

Mr. McKinnon: Mr. Speaker, would the minister permit a question?

The Acting Speaker (Mr. Laniel): Order, please. The hon. member can only ask a question with unanimous consent, since the minister's time has just expired. Will the House allow the hon. member for Victoria to ask the minister a question?

Some hon. Members: Agreed.

Mr. McKinnon: Thank you, Mr. Speaker. I noticed that the minister almost completely ignored his other role in respect of the environment. Will the minister assure the House that when oil spills occur from ships and when the federal government, whose responsibility it is, is unable to identify the source, the federal government will at least pay for the cleanup rather than expecting the municipal governments to assume what could be enormous costs?

Mr. Davis: Mr. Speaker, I think I can assure the hon. member of that. Several years ago amendments were made to the Canada Shipping Act which provided for the collection of large sums of money. That money is available for compensation to those who are affected by oil spills.

Mr. McKinnon: Would the minister then explain to the House why the Department of Transport turned down the request of the municipality of Oak Bay for compensation for cleaning up an oil spill there some two months ago on the grounds that they could not identify the ship which spilled the oil?

Mr. Davis: Mr. Speaker, I would suggest that the hon. member have a chat with me. Perhaps our departmental can do people something about it.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome this opportunity to participate in the throne speech debate, and I wish to associate myself with my leader and other colleagues in extending congratulations to the mover and seconder of the address, the hon. members for Spadina (Mr. Stollery) and Sherbrooke (Mr. Pelletier). Working under very difficult conditions they gave good accounts of themselves, which is a tribute to the constituencies which elected them to parliament.

In the "Tale of Two Cities", by Charles Dickens, we read:

> It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness ... it was the season of Light, it was the season of Darkness .... We have everything before us, we have nothing before us.

I suppose that reasoning could be well applied to the throne speech, depending upon where you sit in this Chamber. One thing is certain, the year 1974 has sent its signals well ahead and it shapes up as one of the most critical years in decades. Even in the best of times, Canadians would find it difficult to get their ship of state back on an even keel after the storm-tossed buffetings of inflation and unemployment in 1973. But, as 1974 unfolds, it becomes apparent that stiff new challenges are facing Canadians in every part of this country.

Not only is a recession threatening us, but the throne speech, the estimates and the 1974-75 booklet entitled "How Your Tax Dollar is Spent" gives a clear indication to anyone reading them that Canada is in need of a national leader and a national party that has the desire and the willingness to give sound government to this country.

Some hon. Members: Hear, hear!

Mr. Crouse: Rarely in the memory of most Canadians has this country entered a peacetime year under so many stresses and uncertainties. The restrictions placed on the export of oil by some oil exporting countries have eroded the economic stability and economic progress of the United States, while at the same time hamstringing Canada and most of Europe. International alliances are weakening and balance of payments deficits for many nations are reaching awesome levels. A grain shortage in far away Russia has, along with the mismanagement of this government with its bungling administration helped to push up the price of food, especially bread, in our supermarkets to new heights.

Nationally and internationally, 1974 is to be a time of trial. In times like these, it seems to me the commonsense approach to our problems would be for the federal government to provide some leadership to our people, while practising some restraint in its spending programs. However, unfortunately the opposite is true for we see at page 18 of the government's spending program a proposed expenditure for this year of $22,023 million, which is $2,388 million higher than last year's figure, and $12,151 million higher than the figure listed for 1967-68, the year the present Prime Minister (Mr. Trudeau) took office. Those are not my figures, Mr. Speaker, those are the figures put forth in the booklet "How Your Tax Dollar is Spent".

During this period of time our population increased by a little more than 2 million people, which indicates the inefficiency of this Liberal administration, and should be viewed with concern by anyone, including Liberals who truly have this country's interest at heart. Nothing that I can say and no figure that I can quote would indicate more clearly the failure of the Trudeau administration in its efforts to govern Canada.

When speaking during the debate on the Speech from the Throne, the Prime Minister stated some very evident truths. He said, as will be found at page 32, that Canadians live in the richest country in the world; that we can grow more on our land than we can eat; we can take from the sea more than enough for our needs; we possess adequate supplies of energy and below the ground we have an abundance of minerals. In fact, he said that we have human and natural resources sufficient to make us the envy of every nation.

I agree with those words of our Prime Minister, but this statement raises some very disturbing questions. Why, in view of our abundance, do the latest figures released by Statistics Canada indicate a progressively deteriorating situation for the Canadian worker? Average weekly earnings for the month of December were down approximately $5 from the month before and were only 6 per cent higher than in December 1972. When compared to a cost of living increase over the same period of more than 9 per cent, it is indeed obvious that whatever the workingman has

managed in salary increases has been more than eroded by inflation.

Why, in view of our abundance, was it necessary to tax those who are working almost $2 billion for unemployment insurance benefits in 1972 and more than $2.2 billion for unemployment insurance benefits in 1973? The increased cost of the program has nearly tripled the cumulative deficit of the employer-employee account and resulted this year in an increase in worker and company contributions to the plan. In fact, in 1974 we must pay $923 million for last year's unemployed, and the same amount is proposed for the year 1974-75. Why is this necessary in a country as rich as Canada?

Why, in view of our abundance, are housing starts declining, and why have housing costs escalated to such absurd heights that our young people, as well as our middle-aged citizens, cannot any longer afford a decent apartment, while the purchase of a home is out of the question without making a lifetime commitment to pay the mortgage? In view of our abundance, why did food prices continue to increase last year by more than 14 per cent, and why is a further 10 per cent increase predicted for 1974 by the President of the Grocery Products Manufacturers of Canada? In view of our abundance, why are feed prices soaring and why is milk production declining? Why are our farmers leaving the land? In view of our abundance why did the ordinary Canadian, who may have set aside a few dollars for his old age, see the purchasing power of those dollars eroded by almost 10 per cent last year, and why should he face another 10 per cent loss in their value this year?

Surely, there must be answers to some of these questions, but obviously we are not going to get them from the apologists for this government who sit to your right on the other side of the House, Mr. Speaker. The Prime Minister stated when speaking in this House that inflation is not a new problem. He said it was the rate of increase which is new. He went on to say that during the past two years an unprecedented round of price increases and shortages of food as well as industrial raw materials have sent shock waves throughout the entire world economy. It is easy to blame the world for your follies and failures. The world is a very big place. I would point out that international inflation only accounts for approximately one-third of our total inflation. Furthermore, the domestic, self-induced portion of our inflation has been escalating continuously since the last quarter of 1970 when the Prime Minister said "inflation is licked".

● (1430)

This explains the lack of confidence by the majority of Canadians in the Prime Minister's leadership and in his government. It explains the reason we have moved a vote of non-confidence in this government. One of the key reasons for our inflationary spiral can be found in the estimates, and in the booklet "How your tax dollar is spent 74-75". The new estimates show government expenditures at an all-time high and rising rapidly. The same is true for the numbers in the public service, and the amounts that they are paid. In round figures, federal civil servants are now receiving more than $4 3/4 billion a year, a jump of 50 per cent in the last five years. And there are now about 60,000 more of them than when the Prime Minister froze the growth of the civil service in 1969. If this can happen under a freeze, heaven help us if we ever experience a thaw. Unless the Prime Minister and his cabinet set to work to remove some of this fat from the system, our ship of state will have such a big crew there will be no room for any of the passengers.

The Prime Minister complains in his speech that we, as the official opposition, do not offer any workable solutions to inflation and the many other problems we face as a country. In answer to that charge, Mr. Speaker, we have offered a number of solutions to the government concerning our inflationary problems, but they have apparently been unacceptable, due to the difference between our political concepts and our priorities as compared with those of the government. For example, we have suggested that the government reduce taxes, especially the federal sales tax, on all clothing and the tax on building materials. This would be very helpful to the Canadian textile industry and to the construction industry as well as the potential homeowner. However, in order to cut back on taxes the government would have to curtail its expanding bureaucracy which it states in its 1974-75 booklet stands at 500,000 men and women—and obviously this is something it is not prepared to do. It would have to eliminate Information Canada, something it is not prepared to do. The government is not prepared to cut taxes because the system it is establishing will eventually make all Canadians subservient to the federal government.

From pupil to principal, from pauper to prince, all must come hat in hand to wait and to beg for assistance. Any business developments in Canada today must wait until any changes in transportation policies are made known, must wait until the government's DREE grant policy is established, must wait until the Minister of the Environment (Mr. Davis) approves of the site, and the Minister of National Revenue (Mr. Stanbury) and the Minister of Finance (Mr. Turner) determine the taxes to be levied, retained or written off in that particular area. That has resulted in complete stagnation insofar as industrial growth is concerned. This process is costly as evidenced by the increase in estimates. This process is costly in lost production, in lost wages and man hours, but this system gives tremendous power to the government. Every time this power increases, and it is bound to increase under the measures proposed for further government manipulation as stated in the Throne Speech, we as Canadians lose a little more of our basic individual freedom. When we look at this year's estimates, there should be no doubt in anyone's mind that the government's wasteful extravagance and its money supply policy have been the main cause of our inflation. When a government prints money to pay its own bills, and covers that deficit by causing an excessive increase in the money supply, this action triggers inflation.

I would point out also that domestic inflation is created when the rate of credit expansion exceeds the physical capacity of the nation to produce goods and services. This was touched on by my colleague the hon. member for Prince Edward-Hastings (Mr. Hees) when he spoke in this debate. The supply of money in Canada increased by more than 70 per cent from 1970 to 1973 which is a jump unparalleled in recent history. The responsibility for this growth in the money supply rests entirely on the shoul-

ders of the federal government, and either the Bank of Canada and the Minister of Finance had a complete misunderstanding of what they were doing or they knew runaway inflation would be the end result and they just did not care. Obviously, if the Bank of Canada had maintained a more moderate and constant increase in the money supply and the government had practised spending restraints, the inflationary trend in Canada could have been held to a minimum. It is not too late now to start controlling inflation. I have already indicated some of the steps that could be taken.

In addition to these we must obviously increase supplies of many commodities in order to deal with the shortages which surround us on all sides, and in order to slow down the rapid increases in prices which result from shortages. The soundest way to accomplish this is to pursue policies which will encourage investment in new productive capacity in this country. This is one of the cornerstones of Progressive Conservative policy; it is what we mean when we say we will develop an incentive society in Canada, where initiative is rewarded and where labour may enjoy a greater share of the fruits of their efforts.

Some hon. Members: Hear, hear!

Mr. Crouse: We must recognize that workers look at their take-home pay when they bargain for increased wages. In light of this fact further increases in taxes, especially on our workers, will only create further tax-push inflation. This is why our leader and all members of our party are calling for a decrease in taxes. Surely, the achievement of a stable economic system is not beyond the competence of our free democratic society. What is required is the will to do it. At the present time the government has no anti-inflationary policy. Our ship of state is drifting in a fog of uncertainty. The Prime Minister spoke of marooned sailors, life rafts, great ocean liners and sea captains. Speaking as one who has lived a lifetime by the sea, I would remind the Prime Minister that many a captain has been replaced by the owners if he was found to be incompetent. However, this action is generally taken when the ship comes back to port, so we as Progressive Conservatives are looking forward with considerable anticipation to the day when Captain Trudeau and first-mate David Lewis—or is it the other way around—finally bring their ship to port and the owners, the Canadian people, have a chance to voice their opinion through their vote on the progress of our ship of state.

The Prime Minister knows about our wealth as a nation. He obviously knows about our problems, but what is truly unfortunate is that he does not have an adequate solution to offer for these problems at the present time. The Throne Speech states, among other things, that the government plans a re-assessment of existing programs in the areas of agriculture and fisheries, and that assistance will be provided to those engaged in these primary industries in purchasing or modernizing their equipment. This afternoon when speaking on this matter the Minister of the Environment spoke of Canada's new ocean policy, and said the extension seaward of Canada's responsibilities would add immensely to our mineral reserves and our fishing resources, in an area approximately 40 per cent the size of Canada. The minister said this new area, under our control, would provide increased fishing opportunities and enable our fishermen to earn a better living.

Five pieces of legislation are to be brought forward. These will be examined carefully by our party. No one would disagree with the concept announced by the government and the minister, but concern has been expressed by many fishermen over the manner in which these policies are presently being carried out. For example, over the weekend of February 15 and 16, the officials of the Department of the Environment seized the catches of four fishing trawlers and a longliner at Lockeport, Nova Scotia, and charged them with overfishing haddock. Under the regulations as laid down by Order in Council under date January 15, 1974 certain quotas were established for Canadian fishermen under the Northwest Atlantic Fisheries Regulations. Among other things the regulations state that a fisherman, operating in a specific area of ocean, may catch and retain fish of a certain species if the quantity does not exceed 5,000 pounds or 10 per cent of the total weight of fish on board his vessel. Furthermore, the regulations state that when fish are seized, the protection officer shall take custody of them and sell them with the proceeds being paid to the Receiver General.

● (1440)

This was the course followed in Lockeport, Nova Scotia. However, the minister must have had second thoughts about holding the money which belonged to the captain and crew, for the following week the gross stock was returned to the owners, while the captains charged were required to post a bond in the amount of $1,250 as a guarantee that they would appear in court for a hearing on March 14. The fishermen had a name for this. They called it federal piracy in port.

This action on the part of the government raises many questions. First of all, the order in council of January 15, 1974 was never brought before parliament, was never submitted to the Fisheries Committee and was never debated or examined by the representatives of the people of Canada. Obviously, it was drawn up by bureaucrats who have never visited the Atlantic coast and who are obviously not aware of the problems faced by our fishermen. For example, it is impossible for our fishermen to carry out their fishing operations on the banks adjacent to Lockeport without catching more than 5,000 pounds of haddock or 10 per cent of their gross stock at this time of the year.

It is also unfair and unjust to draw up a regulation which penalizes the fishermen who work on the deck of a dragger by confiscating their share of the catch. I would point out to you, sir, that these men have no choice in determining the area in which a fishing dragger will carry out fishing operations. They must follow the captain's orders, and if a seaman lawfully engaged on a ship refuses to process the catch, if he is guilty of wilful disobedience to any lawful command, he is liable to imprisonment for a month under the Shipping Act. In view of this fact, the Order in Council of January 15, 1974, chapter 16, part 3, should be amended. In fact, the entire regulations and the penalties imposed for infractions should, in my opinion, be reviewed and no action taken against Canadian fishermen until we are reasonably certain that foreign fishing fleets are abiding by the ICNAF regulations.

When the Canadian fleet was operating on Browns Bank, no less than 13 pair trawlers of other nations were reaping a fishing harvest from the same bank which is an area of the Atlantic coast that is well known for its concentration of haddock. However, we do not have adequate surveillance to police our Canadian fishing grounds, and until this oversight is corrected, I believe we should increase the permissible percentage of haddock per catch for Canadian fishermen. There is no doubt in the minds of many fishermen that our present surveillance, especially of foreign fleets, is inadequate. In order to do this work effectively, we require immediately at least three ships off the coast of Atlantic Canada that are 200 feet in length, drawing a minimum depth of 14 feet.

Looking to the future, they should have ice breaking capabilities, a forward speed of 25 knots, and they should carry a helicopter. They should be able to carry out fishing operations when needed. With these three ships, we could have two on patrol stations at all times for two week periods, and we would then have a better knowledge of the scope of operations of the foreign fleets operating on our continental shelf. These ships would of course be available for coastguard service whenever our own or the ships of other nations were in trouble or distress off our shores.

I hope that the plight of our Canadian fishermen will be given every consideration at this time by the minister and that no action will be taken against them for doing the only thing which they are equipped to do, namely carrying out fishing operations in order to provide for their needs and those of their wives and children.

Like the mover of the address, the hon. member for Spadina (Mr. Stollery), I also spent some time during January visiting foreign countries. I have always believed that events which happen externally have a great influence upon our country and our people, and the only way to learn about conditions within a country is to visit that country and speak to its government members and its citizens. One of the countries I visited was Taiwan, and when I landed there on January 6, 1974 along with three colleagues from the House and our wives, we learned that we were the first representatives of the Canadian people to visit this country since October 13, 1970, the date on which the present government in Canada decided to recognize Peking as the government which represents all China. Since October 13, 1970 there has been no contact, other than trade, between any Canadian government officials and the representatives of the government of Taiwan.

Obviously we are turning a blind eye and a deaf ear to the representations made by the government of some 15 million free Chinese. In addition, we are making it extremely difficult for businessmen in Taipei to secure a visa for 30 or 60 days to visit Canada, with applications via our Hong Kong office taking approximately six months. The same businessmen can secure a visa overnight from the American embassy in Taipei if they wish to visit the United States. Naturally, the free Chinese living in Taiwan are asking why the Canadian government has adopted this attitude. They pointed out that the United States has a large embassy in Taipei and a liaison office in Peking, and the United States is trading with both countries. Since Canada has an embassy in Peking, they ask why Canada has not put a liaison office to facilitate trade in Taipei. This is a question which I believe deserves an answer from our Prime Minister.

The republic of China became one of the world's top trading nations in the past 12 years. In 1962, their foreign trade totalled only $523 million U.S. Last year, it hit an all time high of $8.2 billion, the top trading nation of the developing countries. We sold the *Bonaventure* to the Republic of China, to be broken up in Kaohsiung, the shipbreaking capital of the world. But I point out to you, that there are other trading opportunities open for Canada in this area if we wish to capitalize on them. They bought $2.3 billion worth of industrial raw materials last year from other countries and more than $600 million worth of electric machinery for electrifying their railway system. In view of our foreign policy, we never even had an opportunity to quote on the needs of these people. We were told by their economic adviser, Mr. Y S Sun that they are interested in buying unlimited quantities of sulphur and potash in order to upgrade their agricultural economy. We have mountains of sulphur available in this country and not too long ago we turned off the production of potash, the reason given was that we were unable to sell it. I believe we should re-examine our foreign policy as it relates to Taiwan. At the present time, an easement of trade restrictions and an exchange of cultural activities are perhaps the best vehicles for improving the situation.

I note, according to an item of expenditure under foreign affairs that the government plans to spend $4 million opening up new missions in Korea, Barbados, Morocco and other countries. Since the free Chinese support a democratic form of government I hope that some thought will be given by this government to opening a trade mission in Taipei.

Having visited India, I was made aware of the fact that, while the energy crisis poses a serious problem for developed countries, for underdeveloped countries such as India, which must import large quantities of oil, it poses the threat of disaster. This is one of the few developing countries which has maintained a democratic parliamentary government over several years and, at the same time, has developed a balanced economy in which both the private and the public sectors have a role to play. With the increase in prices for oil, India's oil bill will be more than double all the foreign aid she receives, and this situation is bound to generate an economic disorder of very serious proportions in that part of the world. That country needs our help and our expertise in the fishing industry to assist it in capitalizing on the immense fishing resources in the Indian Ocean. I hope this suggestion will be given consideration by our Department of External Affairs.

Finally, I also visited Iran, a country which is desirous of expanding its relations with Canada. The leaders of Iran see in Canada with its skills, its level of development and middle power stature, a valuable friend and an unlikely enemy. For our part, Iran should be of growing interest as a market for Canadian goods and services and as a source of oil. As a result of discussions held with Prime Minister Hoveyda, I believe he would welcome an official invitation to visit Canada and I believe that such a visit would be mutually beneficial to both countries. At present we have a huge trade imbalance with Iran, pur-

chasing approximately twice as much from that country as it purchases from us.

I was pleased to note that the Minister of Energy, Mines and Resources (Mr. Macdonald) recently visited Iran, and I would suggest also that the Minister of Industry, Trade and Commerce (Mr. Gillespie) consider a trade mission to Iran in order to capitalize on the trading opportunities with Iran's 32 million people. Last year that country ranked fourth among the world's oil producers and is also interested in our fishing expertise. In order to capitalize on the immense shrimp resources in the Persian Gulf, resources which their Prime Minister told me were more valuable than the oil resources, Iran is desirous of using Canadian expertise and equipment, including ships, to develop our type of civilian coastguard as opposed to the military type used by the United States. I was informed that the value of such an arrangement could be worth more than $1 billion to Canada over the next seven years. I hope our officials in the Trade Department will get on with the job. This could be another way to ease unemployment in Canada. It is another suggestion from the Conservative party. It is another way to curb our present inflationary spiral.

● (1450)

Some hon. Members: Hear, hear!

Mr. Wally Firth (Northwest Territories): Peace, Mr. Speaker. Once again I am happy to be here representing the people of the Northwest Territories and to be making a few remarks in the Throne Speech debate. We, the people in the Northwest Territories, have a strong belief in democracy. In October, 1972, a large number of the people of the Northwest Territories decided they should send a representative to Ottawa who truly represented the north, because in the Northwest Territories two-thirds of the population consists of native people, and one-third non-native. As a result, they decided to send a representative down here who was two-thirds native and one-third white man.

Some hon. Members: Hear, hear!

Mr. Firth: I am very proud indeed to be representing the people of the Northwest Territories. I am very happy to be a member of the New Democratic Party of Canada, the socialist party of Canada. I was happy to be brought up as a socialist. Many hon. members of the House must know that this was the true Indian and Eskimo way of life in the past, and still is today in many villages and reserves across the country. There, people live and practice this way of life and, as I say, I am very happy to be part of it. Indeed I was fortunate to be brought up in that system.

I will be brief, Mr. Speaker. I should like to mention some very important matters of concern to my constituents, the people of the Northwest Territories, a hardy group of individuals who, under very difficult conditions, in one of the harshest climates in the world, are working hard to develop the north, to make a good life for themselves and their children. Some 35,000 to 40,000 people, as I have mentioned, mostly Indian, Eskimo and Métis, live in a part of this country where we have the highest cost of living, where we have a cold climate, a drastic housing shortage, very poor health facilities, and an extremely high cost of communications and transportation.

The average cost of communication by phone, if you should have phone service, is at least $1 a minute. To charter a small aircraft costs in the neighbourhood of one dollar a mile. In many cases we have a complete lack of such services on a regular basis. And to top all this off in this day and age, in 1974, in Canada, we do not have a real democratic government. This is a most deplorable situation. Certainly, we have an administration in the Northwest Territories which is costing $150 million—at least that is the budget for this year. But a very important question is this: are we, the people of the Northwest Territories, willing and able to accept more governmental responsibility? I suggest that the answer is yes.

Another important question is: can we pay our way? I believe we can. In the Northwest Territories today we have two producing gold mines in the Yellowknife area and you, Mr. Speaker, know the price of gold today. We have a silver mine bringing out almost pure silver at Echo Bay Lake, and a lead and zinc mine at Pine Point. We have gas and oil production facilities at Norman Wells which have been operating for the last 30 years. Now, we have natural gas being produced at Pointed Mountain in the Northwest Territories, and a large tungsten mine at Tungsten. There is a large fur trade industry, commercial fishing, and deposits of other minerals. Our potential is many times what we are producing at present. Just to mention fresh water alone, we have 50 per cent of all the fresh water available in Canada, and up there in the Northwest Territories we keep it pure, clear and cold.

I do not suggest that the north should have to buy or pay for democracy. I do not suggest that we in the Northwest Territories are ready for full provincial status. But what I do say is that I believe we are ready to have, and we would like to have, a lot more say about our destiny, about the way in which the north should be developed, and even about whether the north should be developed. That, in itself, is an interesting question. The present situation with a partly elected and partly appointed council which can be over-ruled by an appointed civil servant, is no longer tolerable. I would suggest it is indeed a dangerous situation.

In January of this year, the Minister of Indian Affairs and Northern Development (Mr. Chrétien) spoke at Yellowknife and we were led to believe that some great announcement would be made in the Speech from the Throne. He said something to the effect that in a few months there would be amendments introduced to the Yukon Act and to the Northwest Territories Act, and that the powers of the council would be debated. Mr. Speaker, in the Throne Speech there was no mention of the north or of the native peoples of Canada. This saddens me; it saddens me a great deal.

I should like to give an example of some of the things that can happen when you have a situation which might be called a sort of dictatorship within a democracy. Believe it or not we have here in Ottawa something like an embassy for the Northwest Territories. It was set up here in Ottawa almost a year ago—11 months ago to be exact. It is known as the liaison office, or something like that, for the Northwest Territories. It has been in existence for the

last 11 months, but in all that time there has been no liaison between it and the only federal member representing that part of Canada, representing one-third of Canada.

That was the situation until about February 28 when at last there was some contact. I, personally, went over to see this office, and for the information of hon. members I will supply them with its phone number and address. The phone number is 992-7289, and it is located at Room 328 in the Centennial Towers on Laurier Avenue West. I went over there and spoke to the director general in charge of this office. He did not seem to be doing very much directing, or liaison work, or anything. I told him that I usually receive a large number of visitors to my office, people seeking information about the Northwest Territories. I asked him if I should not refer some of these visitors to his office to receive such information. He said he really did not encourage that sort of thing.

Some hon. Members: Oh, oh!

Mr. Firth: What kind of liaison is that? Anyway, hon. members now have his phone number and address, and I hope they will take advantage of that information.

I was saddened to note that there was no mention in the Speech from the Throne about possible legislation regarding the native population of Canada, and in particular regarding the Department of Indian Affairs and Northern Development. I have some figures here which hon. members might be interested in, and that I think are important to mention. In the period from 1963 to 1974, the Department of Indian Affairs and Northern Development spent something like $1,813,898,000, on the approximately 250,000 treaty Indians and Eskimo people in Canada. Mr. Speaker, this is approximately $7,252 for each man, woman and child for whom the department is responsible. I think that is a very important point and hon. members should think about it.

● (1500)

But what has been the result of spending this approximately $1,800,000,000? We have some highly paid staff in the department, but for the Indian and Eskimo people in the land there is still extreme poverty. The first citizens of our land are still living in poverty; there is a very high dropout rate in high school; very few people reach university and there is a terrible housing situation in the country, especially in the north. Not long ago I was talking to some people who live under such conditions. Three families live in one two-bedroom house and they have to eat and sleep in shifts. There is no running water or such facilities. The money has not provided a meaningful program to help the native population break out of the poverty cycle and that is something which hon. members should think about very seriously.

I should like to mention something about the Indian Brotherhood in the Northwest Territories. After a meeting between the Minister of Indian Affairs and Northern Development and the president of the Indian Brotherhood in Yellowknife on January 18, there were some news reports to the effect that the Indian Brotherhood and the government of Canada were now ready, willing and able to sit down and negotiate the land claims of the treaty Indians of the Northwest Territories. These reports were not exactly true. The fact is that for some time the Northwest Territories Indian Brotherhood has been trying to prepare for such negotiations. However, the Brotherhood does not have the resources to do so. The government has publicly announced support for such meetings to take place, but I say the government has not made sufficient funds available to the Brotherhood to enable them to prepare to negotiate their claims. At the present rate of progress of the negotiations between the Indian Brotherhood and the government of Canada, I would guess that the native people of the Northwest Territories will not be ready to sit down at the negotiating table for another three to five years.

As an example of some of the problems that the Indian Brotherhood runs into, the Wrigley people, a small group on the Mackenzie River, asked the minister for some funds to set up meetings between the out villages along the route of the proposed pipeline or railway or highway or whatever, to discuss the project. They were turned down. Mr. Speaker, I do not think that is negotiation and it will not work.

There is another matter of very great importance to the Northwest Territories—that colonial part of Canada, that underdeveloped part of Canada, that part of Canada which is most important, I think, in terms of natural resources. Because the fact many people are talking about pipelines, railways and whatever, in the field of development, and because there may be a substantial increase in population in the area, serious consideration should be given to more federal representation from the north in this House. There is, indeed, a great need now for more federal representation, but once again there has been no mention of any changes in this throne speech. I believe that the people of the north deserve and have a right to more federal representation. They should have a fair say in what is happening or may happen in the north in the next little while.

Let us just take a few minutes to think about one aspect of the present system of a single member representing the Northwest Territories. Not too long ago this House decided that members may have a constituency office. In a constituency of 1,350,000 square miles with 75 or 80 communities, where would you put that office? This is just one example of the difficulties faced by the people of the north.

Mr. Speaker, I do not have very much more to say. At this time I should like to ask for a ruling from the Chair. There are a few minutes left of the time allotted to me. I do not know exactly what the rules are regarding this, but I should like to ask that, during the remaining time allotted to me, hon. members of this House be allowed to sit and think about some of the points I have made.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Boulanger): Order, please. I suppose the Chair should recognize another hon. member. I recognize the hon. member for Davenport (Mr. Caccia).

Mr. Broadbent: There is a Liberal getting up. He refuses to think.

[*Translation*]

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, at the beginning of my remarks, I would like to congratulate the mover and the seconder of the Address in Reply to the Speech from the Throne, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier).

Recently, in the House, the member for High Park-Humber Valley (Mr. Jelinek) spoke about the Great Lakes Water Quality Agreement. He had great criticism for the Canadian government position.

Well, I must now use the other official language to be more precise.

[*English*]

Contrary to the allegation made by the hon. member for High Park-Humber Valley (Mr. Jelinek), Canada has stuck to its agreement. This fact was recognized in a radio interview some weeks ago with an elected representative of the state of New York who acknowledged that Canada had lived up to its commitments. In more than one way he apologized for the slow and hesitant support that was coming from the American federal government to meet its commitment in the Great Lakes Water Quality Agreement. Having listened to the kind of charge made by the hon. member for High Park-Humber Valley, I feel that if his facts on COJO and ABC are as correct as they were on the question of the Great Lakes, then the people of High Park have a problem on their hands.

We all know that avidity for power plays some strange tricks on people and the hon. member for Don Valley (Mr. Gillies) who spoke on the same day, was no exception. The hon. member for Don Valley is a great proponent of an incomes policy. He was outraged because the Prime Minister (Mr. Trudeau) suggested that an incomes policy would hurt low income groups. The hon. member for Don Valley disagrees with that statement. Unfortunately, the hon. member for Don Valley does not tell us what kind of incomes policy he has in mind. It involves the question of job security, and similar questions. Despite the political partisan considerations which might be involved in any discussion of this topic, I think he should throw some light on this somewhat difficult question and tell us what he means.

● (1510)

It is well known, outside academic circles at least, that it is relatively easy to control wages and salaries but not so easy to control professional and business incomes. By suggesting his incomes policy, does the hon. member for Don Valley mean that he would intend to ask those earning higher incomes to stop their demands voluntarily or even reduce their incomes, in order to provide an example of restraint? In our society, some earn $4,000 a year, and others earn $80,000. For example, hospital workers are at one end of the scale, and architects are at the other. Does the hon. member for Don Valley, who I am sorry not to see here today, intend to reduce the gap between high and low income groups? If so, perhaps he should tell us how we are to do it, instead of allowing a synthetic rage to get the better of him, as happened on Friday.

In another part of his speech the hon. member for Don Valley said that his imagination boggled at the increase in government expenditure. In February, 1973, as recorded in *Hansard*, page 1559, the hon. member for Don Valley said this about the deficit then being incurred:

> ... is the deficit large enough to really move this country ahead, to produce the sort of employment that Canadians have every reason to expect and to hope for within the economy. I would argue, that it is not.

The hon. member then went on to talk about the Conservative bag of tricks, namely, removal of certain sales taxes and the program to help small businessmen. He went on to say, as recorded at page 1560 of *Hansard* for February 22, 1973:

> If we had done these things, the deficit we would be running on a national accounts basis would be somewhat over two and one half as much as the deficit which the Minister of Finance suggested. I say to the members of this House that this country at long last needs this sort of stimulation to move ahead in an effective and improved fashion.

Well, with advice of that kind on economic matters, who needs enemies! We learned, the day after the hon. member made that speech, that the real increase in the gross national product for 1973 had run at 7.1 per cent. Does the hon. member for Don Valley mean to suggest that if we had followed policies of the Conservative Party that percentage would have been even higher? I do not know.

Last Thursday the Leader of the Opposition (Mr. Stanfield) solemnly declared in this House that the Conservative Party has not only proposed measures to combat inflation, but has the will to carry them out. The measures suggested were removal of all types of sales taxes. The people of Canada were not told where government expenditures are to be cut in order to offset the loss in revenue. I suppose it is fairly easy to propose the removal of sales taxes but not so easy to say what is going to happen to government revenues. Perhaps the Conservative Party has certain reduced services in mind. If so, it should tell us which kinds of services are to be reduced or removed. On the other hand, if it intends to maintain the same level of expenditures, we should know where the needed revenue is to come from.

The Leader of the Opposition talked of indexing Canada Savings Bonds and of temporary controls, to be followed by some kind of miraculous agreement to be arrived at in this country. In this regard one of our national newspapers carried an editorial last Saturday with the headline, "Expert testimony". According to the editorial, the President of the United States said that,

> "The answer to higher prices is not simply controls—controls have been tried and controls have been found wanting.
> The answer to higher prices is to get up the supplies. That will bring the price down.

We do not dispute the will of the opposition. Yet not even its best friends can claim that its will is matched by consistency and competence. In times of inflation, the argument for moderation and the slowing down of expectations should be directed at those who command higher incomes in society, not at those at the bottom of the income ladder. It is easy to preach the gospel according to St. Gillies, the gospel of no growth, when your tummy is full and your income high. If those who are successful, who command better incomes, are willing to accept lower fees, lower rents, lower returns and lower profits, then and only then can the dialogue be started towards lower expectations on the basis of solid and tangible results.

In the meantime the government of Canada will need to come to grips with excess profits, difficult to define, I agree, and to tax windfall and excess profits in order to assure the Canadian public that there is justice in our tax system. In 1973 banks and a number of corporations piled up incredibly high profits. The Canadian public considers these profit levels simply intolerable. Something must be done about them.

While prices are increasing, the consumer, in a rather complex market, needs continuous advice and help, both in the form announced in the last session by the Minister of Consumer and Corporate Affairs (Mr. Gray) and in the form of community level and neighbourhood help. This sort of help must be made available, particularly in the larger urban centres of Canada. The help centres ought to be staffed by persons who are deeply committed to the public and to the protection of the consumer.

If I may move to another subject, the vast majority of Canadians supported the measures which the government and this Parliament took in controlling foreign takeovers. The recent announcement by the Minister of National Health and Welfare (Mr. Lalonde) about the Canadian football league has strengthened that approach. With that in mind, it is disturbing to learn what has been happening, for instance, in connection with M.L.W. Worthington Company of Montreal. That company was stopped by the Worthington Company of New Jersey from exporting locomotives to Cuba. I am inclined to think that the majority of Canadians would like to urge the government to stop the dependence of foreign controlled companies located in Canada on the laws of the country of the foreign corporation. We seem to be making some progress on this question because of the position developed in Argentina by some of the companies that are of a multinational character and which are engaged in a trade negotiation in Cuba as well.

● (1520)

I do not think we should be pressing this measure just because it has been possible for another country to achieve it. We should be pressing it on its own merits, on the question that a multinational corporation operating in Canada operates under the laws of Canada and not under the laws of another country. In the same category of disturbing events which belongs to years past, I would put the special treatment of *Time* magazine and *Readers' Digest*, a treatment that is presently accorded under the Income Tax Act. I urge the government to remove this treatment at the time of our next budget.

In the Speech from the Throne, mention is made of the Unemployment Insurance Act and possible amendments. I would like to dwell on this subject for a few moments. The concept of unemployment insurance served a good purpose in its time. It is a concept that is borrowed from the private sector, namely of insuring income in time of need by means of contributions which working Canadians make in the form of premiums while they are employed. It seems, however, that in the seventies this concept is becoming rapidly outdated.

In the seventies we not only have automation of the so-called post-industrial society, but we have people with better education, something we have stressed as being desirable. We have an increasing number of people who are seeking meaningful jobs in society. They simply reject the idea of working for a large corporation by doing something monotonous and of little significance to their own personality. A symptom of this is the high percentage of absenteeism found in the large automotive plants of this country. Despite the wages that are commanded, the rate of absenteeism is very high.

Other factors are changing in this decade. We have, as a result of experiments through LIP and OFY, discovered a large range of jobs that are non-profit in nature, beneficial to the community and considered to be desirable. For this reason, the time has come to turn the unemployment insurance concept into a positive institution, not one that picks up the fallout of the private sector when it cannot produce new jobs or maintain the existing level of jobs, but one that is of a job creating nature. I will try to outline this idea as quickly as I can.

Under a positive system of employment insurance, if I may call it that, the premiums paid by employed Canadians would go to the creation of jobs for those who are unemployed. We have a better educated labour force. There is an increasing need for services not provided by the private sector, services for senior citizens, retarded children, migrants and immigrants in the large cities as well as the performance of certain works in maritime Canada in the environment and in the forests, in the improvement or redressing of the environment damaged by man.

In the present unemployment insurance fund, there is sufficient wealth to ensure employment instead of simply insuring unemployment as we have been doing up until now. If we were to have an employment creating commission, a person who becomes unemployed would have a few options. As at present, he would be interviewed to see whether he qualifies for Manpower training. If so, he would take the Manpower training route. Another option would be leaving the labour force for a period of time and requesting a payment of benefits. If over the years a person had accumulated the necessary credits, that would be a prior condition, he could just leave the labour force for a certain period of time. The credits for the unemployed person would be in direct proportion to the number of years the person worked in the labour force. The longer one worked, the greater the credit, and that would govern the length of time the person could withdraw from the labour force and be paid by the fund. This could be in the form of a period of time during which a person could better his education, see the world, repair his house or engage in any other kind of activity he had in mind.

The third option open to a person who becomes unemployed, cannot find a job in the private sector, does not qualify for Manpower training and does not have sufficient credits to leave the Labour force for a period of time, would be an offer by the employment commission of a job in the public sector which would be subsidized as the result of the creation of this fund. The fund, by the way, now exists, only for a different purpose. Canadians who are employed would pay premiums to provide jobs for those who are unemployed, do not qualify for Manpower training or do not have the necessary credits to leave the labour force. The jobs created in this way would not be

determined by a distant group of officials in the capital, but by a community board, people in the community, who would determine the priorities, needs and, therefore, the jobs that would have to be created as a substantial component of this national scheme.

The salaries to be paid under this approach would be arrived at in consultation with the people whose premiums paid for the creation of the jobs, namely working Canadians. There is nothing wrong with consulting Canadians on this matter. Actually, it would be highly desirable. It would indicate the degree of support for this approach. The government would learn the value Canadians put on those who were willing to take on jobs in the public sector and perform something meaningful to society, not something motivated by profit.

● (1530)

Designing this system would bring us closer to the concept of full employment. Employment in the profit sector, when added to those employed in the public sector embraces the largest percentage of people who are working today. This combination of the two would come pretty close to the ideal that is described in reports of the Economic Council of Canada. A system of this kind would provide opportunity for two groups of people—those who prefer meaningful work and less pay, and those who find themselves temporarily dislocated as a result of fluctuations in the private sector and are willing to accept community or environment-oriented jobs that are offered by the local commissions that would come into existence.

I appreciate the reluctance of anybody to consider new schemes and approaches that are different from ones that have been tested so far. However, it seems to me that it would be a pity if we were to embark on a series of measures to patch up and perhaps make tighter an existing system, one that has proven its service but which is rapidly becoming outdated, rather than look at alternative approaches—there may be others more desirable and valuable than the one I have endeavoured to outline this afternoon—that need these new values that are strongly developing in Canadian society. These approaches would also make profitable use of the experience we have accumulated over the years as well as the very positive and constructive experience that has been made available throughout the country through the concept of LIP.

There are other aspects in which the people of my riding are interested. As you know, Mr. Speaker, Davenport is a downtown riding of an urban nature and is fairly representative of many other ridings in urban Canada today. Very often in public discussions the question of pensions has come up, particularly the Canada Pension Plan. Meetings that have taken place between the Minister of National Health and Welfare (Mr. Lalonde) and his provincial colleagues have been very closely followed. At public meetings people have expressed their very keen interest in seeing changes made to the Canada Pension Plan to permit people who are not employed to contribute the full amount of the premium that is presently paid by employer and employee. These people include those who are at home and others who are not in the labour force. This means that women in particular would eventually be able to look forward to some kind of retirement pension when the time comes. This is not a novel proposal; it has been accepted in other countries of the world as part of their social security systems.

Another possible amendment to the Canada Pension Plan which has been put forward in very strong terms is that people who, for some reason or other, have suffered a serious injury but have not reached the required five-year period for contributions, should qualify for a disability pension. This would include people who suffer from progressive diseases, people who have sustained a serious car accident, and others who are handicapped. The proposal is that this five-year contribution requirement be replaced by something that is more flexible. For example, such persons could receive a pension that is in proportion to their number of years of contribution, rather than continuing the present situation where they do not qualify for a pension even if they have contributed for four years and 11 months. I appreciate the difficulties faced by the minister in implementing this approach, but nevertheless it is an argument that makes sense and which, sooner or later, deserves the attention of the minister. It is at times sad to listen to pathetic people who find themselves cut off from even a very modest disability pension simply because they have not contributed for the magic period of five years.

In the area in which I live another very important issue is developing that may have national proportions, at least in industrial centres. I refer to lead pollution. It seems that no one really knows when lead pollution reaches the danger level to health. It seems to me that there is real scope here for the federal government to come to the aid of the provincial governments and municipalities by determining what limit should be placed on lead pollution before it becomes a danger to health. There was a very interesting program on the CBC recently which brought this whole question to the surface. All hon. members are probably aware of the legal consequences; it is a matter that is very serious and I welcome this opportunity of bringing it to the attention of the House.

The Acting Speaker (Mr. Boulanger): Order. I regret that the time of the hon. member has expired.

Mr. Tom Cossitt (Leeds): Mr. Speaker, like those throughout the rest of Canada, the people who live in my constituency of Leeds wonder why the government has so completely failed to deal with the problem of inflation. Undoubtedly, the galloping cost of living is by far the greatest single problem facing this country today. But the government has literally ignored the situation for months and for years in the apparent hope that it will simply go away.

Any belated death bed repentances that the government dangles under our noses now can scarcely be taken very seriously. We have heard all about magic contingency plans in the past. The Houdinis opposite have often talked about these forthcoming productions to solve our problems, but they have either turned out to be mirages or else they were nothing more than a few temporary pay-offs to the New Democratic Party in the greatest public political prostitution performance in the history of Canada.

In a recent television interview the Prime Minister (Mr. Trudeau) made it clear that he expects living costs to continue the same sharp rise this year as last year. Fur-

thermore, both he and his government have clearly demonstrated how little they are prepared or how little they are able to do anything about the whole situation. Apparently, Mr. Speaker, this country has a Prime Minister who prefers to gaze with no concern at the Canadian scene through the windows of his $76,000 Cadillac, rather than take some action that would help the disastrous economic shape of Canada. Apparently it is more interesting for him to spend hundreds of thousands of dollars in taxpayers' money on his office or on 24 Sussex Drive than it is to worry about the elderly of this country who are being forced to exist on grossly inadequate pensions and who, in thousands of cases, have not even got a decent place to live. While the people of Canada see their tax dollars filling Sussex Drive with such things as Hepplewhite consoles, stereo equipment, fancy crystal and even Persian carpets, not one thing has been done by this government to halt or slow down the cost of living that gallops constantly upward, creating an almost impossible situation for those on low and on fixed incomes.

● (1540)

It would be bad enough if we had a government that had tried to deal with the cost of living and had just not succeeded, but we have something far, far worse than that. We have a government that has not even remotely tried to stop this country from moving down the road to economic disaster. Nothing could express the situation more clearly than the lead editorial in the Toronto *Star* of February 19, 1974. This editorial bore the most appropriate heading "Our Helpless Prime Minister", and it concluded with these words:

> But above all what is needed is a government that can be seen to have the determination and courage to try to act against inflation, the central problem of our time. Trudeau's supine indifference is simply an invitation to all Canadians to accept the inevitability of inflation and do what they can, individually and often against each other, to save themselves as best they can—the road to chaos.
>
> It also invites the conclusion that if Trudeau won't try, then it's time to get somebody in that office who will.

It is not really an exaggeration at all to say that, not only is this government lacking in courage and in policies to meet our country's problems, but also that it is floundering from day to day in the grips of an obsession, the obsession of staying in power by any means whatsoever. Power for the sake of power has become the guiding principle since October 1972 on the part of an administration dominated by an emperor complex rather than dedicated to the principles of Liberalism which it has in reality totally abandoned.

In this House we have witnessed the sad performance of those who apparently are prepared to say almost anything, agree with almost anything and promise almost anything, in the hope that such action will enable them to cling to office. How tragically easy it seems for those on the front benches opposite to sacrifice any beliefs, to change any policies and to espouse any programs, in desperate attempts to cling to their portfolios.

Surely, the Minister of Finance (Mr. Turner), at least now and then, I would hope, must feel twinges of conscience that tell him it would be more admirable for him to speak out firmly and strongly in the interests of the Canadian people rather than lurking coyly in the wings,

willing to swallow almost anything in the interests of being first in line when the emperor vacates the throne. Surely, the Secretary of State for External Affairs (Mr. Sharp) must at least now and then secretly wish that he could be more than a puppet and pursue a real foreign policy for Canada rather than merely following the somewhat muddled and often unfathomable views conveyed to him from the palace on Sussex Drive. Surely there must be moments when the present Solicitor General (Mr. Allmand) asks himself what kind of a department he inherited from his predecessor, and surely on occasion he must be tempted to risk the wrath of the east block by striking a blow on behalf of true Liberalism, which he supposedly represents in this House, by abolishing that totalitarian superpolice group perhaps better known as "Goyer's gumshoes".

A few months ago a respected member of the press gallery—if my memory is correct it was Anthony Westell—compared those on the front benches opposite in one of his articles to a group of extinct volcanoes. With all respect to this writer, it seems to me that such a comparison is not entirely appropriate. To say that those who occupy the seats of power opposite resemble extinct volcanoes is to imply that at least at one time this government amounted to something, no matter how extinct it obviously is today. Without a doubt, Mr. Speaker, the performance of this government since 1968 has clearly shown that it has never been composed of volcanoes, extinct or otherwise. A better description would be mountains of confusion never capable of eruption.

Surely, there must be times when some of those opposite, if not on the front benches at least among the backbenchers, must think seriously and regretfully about a great example of integrity they might well have followed. They once had in their midst on that side of the House a man who cared for the welfare of his country and its people above all else; a man who would never yield to political expedience for personal gain; a man who was Deputy Prime Minister but who, unlike the Minister of Finance, cared more about the problems of the nation than he did about inheriting a crown. How disconcerting it must be to those opposite that this man today still sits in this House with his integrity intact and his principles unsoiled. I refer, of course, to the hon. member for Trinity (Mr. Hellyer).

I have found many persons in my constituency who seriously question the peculiar foreign policy of this country. What is the reason, they often ask, that this government seems to have turned its back on former friends such as Great Britain or those who live in the countries of western Europe? Why, they often ask, is our Prime Minister prepared to travel to Moscow and to Peking but apparently not interested in visiting Brussels, or Paris or Armsterdam?

No one can justifiably object for a moment to the diplomatic recognition of communist China. It would be unreal to pretend that it does not exist. But should we be so obsessed with the east, so orientally oriented, that we turn our backs on our diplomatic friends of longstanding in the west? Specifically, what can be said of the government's relationship with England? The words that best describe the situation are "shoddy" and "shameful". This

trend began shortly after this government took office in 1968 with that great contribution by the Prime Minister when he travelled all the way to London to accomplish the daring feat of sliding down a bannister.

Then came that blue day in October, 1972, which so terrified the Prime Minister that he grabbed the nearest Union Jack and rushed off to London again. In a show of hypocrisy unequalled in the history of Canada he became overnight a confirmed and ardent monarchist. We have watched an unparalleled display of political expediency since then, as he has slyly displayed himself at every opportunity with outward expressions of loyalty and devotion to the royal family. Such rapid adjustments to fit any situation are hardly surprising to those who have examined the situation in any depth.

It is a very clear fact that we have a government that long ago threw out the window what few principles it had left in favour of doing anything to retain power. That is basically why so many of us left the Liberal party, and that is also why so many who still remain in the Liberal party, despite what they may say or may have to say in public, do not rest easy in their minds. Why should those on the other side of this House rest easy? After all, was it not their present leader who wrote these very words about them in April, 1963: "What idiots they all are". Can they rest easy when they remember that their present leader once referred to them as "the spineless Liberal herd", that he once wrote that the Liberal Party "has never been anything more than a syndicate of the private interests" and that he called the late Prime Minister Pearson such things as "Pope Pearson", "The unfrocked priest of peace"? Can they rest easy when they recall that their present leader urged Canadians to vote NDP while shortly thereafter he was engaged in a manoeuvre that took over the Liberal Party and placed him on Sussex Drive?

● (1550)

And above all, can Canadians as a whole rest easy with a government that can suddenly change its direction as quickly as a chameleon changes colour, a government headed by a Prime Minister who has made very clear that he seeks to master the art of jumping on a horse and rushing off in absolutely every direction at the same time if such will help him stay in office. But despite the government's many window dressing twists and turns since that near disaster of October 1972, it has really not succeeded in hiding its underlying motivation. Despite the fact that the government dressed itself in sackcloth and ashes and the Prime Minister has played his Uriah Heap repentance act to the full, nevertheless the spots of the leopard have in no way really changed.

This is a government impatient with the democratic process, a government with little respect for Parliament. It is an autocratic government so influenced by the technocrats and the eggheads both in it and around it in key positions that it is totally incapable of caring for the problems of individual Canadians. Lost in the heartless mentality of the computer, it does not worry very much about the man who is unemployed. It is not very deeply concerned about inadequate pensions being received by the elderly. It shows no feeling for those on low incomes who can scarcely carry on in the face of the staggering rises in the cost of living. And if ever there was a single incident that clearly showed me how little this government really cares about individual people, it was the case of Ronald Patrick Lippert, a Canadian who was allowed to stay forgotten in a Cuban jail for ten years and to whom the Prime Minister consistently refused to give assistance despite hundreds of requests from all parts of Canada, in particular requests from Mr. Lippert's 80-year old mother who was not well and who longed for a chance to see her son once again. In all the time that I was connected with the Lippert case, I could never understand the incredible and incomprehensible callousness displayed by the government, and particularly by the Prime Minister, toward this man. Persons with any sense of humanity could never have behaved as those in the government did, who were associated with the Lippert case.

The impatience of this government with the democratic process has been amply demonstrated by its attitude toward opposition questions, especially questions placed on the order paper of the House of Commons. In the last few months there has been an obvious effort on the part of the government to discourage such questions. Apparently any questioning is a part of the democratic process that this government wishes did not exist. We have all seen the reaction that occurs when an opposition member draws attention to questions unanswered for a long period of time. We are immediately greeted with loud boasts from the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) about the fantastic percentage of the total questions that have been answered by the government. These boasts, however, have recently been followed by the sinister suggestion that answering opposition questions is too costly with the very obvious threat that those of us placing questions on the order paper had better watch out or we would be branded as squandering the taxpayers money.

I realize this particular government is composed of experts on the subject of squandering taxpayer's money but it has now become quite clear that it has developed into an expert on something else as well, namely the latest methods of stifling legitimate democratic opposition. A few weeks ago the Canadian Press news service carried a report attributed in part to the hon. member for Kenora-Rainy River (Mr. Reid) stating that the average cost of answering an order paper question is $3,000 to $5,000. The report then went on to say that one question even cost $75,000 to answer, an obvious attempt by this government to smear by innuendo all members of the opposition who ask questions. This is probably the most questionable government Canada has ever had, so no wonder it tries to stop any penetrating examination by members of the opposition. I suggest, Mr. Speaker, that the cost figures put out by the government through the lips of the member for Kenora-Rainy River, alias "Dr. No", are nothing more than absolute hogwash. The $9 million total cost figure for the last session is the best baloney sliced in this country in a long time.

Sometime ago I placed questions on the order paper requesting details about those big, fat political pork barrel expenditures of public funds in the form of government advertising contracts, millions and millions of dollars being shamefully shovelled out by this government to its friends in the advertising agency business without the calling of public tenders or the obtaining of competitive

presentations. Each minister simply dispenses with a free hand this insidious government largesse to those the Liberal Party wishes to reward for previous services rendered or for future favours anticipated. Recently there have been press comments on this subject by such notables as Senator Davey, the author of such questionable political gems in the past as the infamous "truth squad" and the man who the Prime Minister has now brought back from Limbo to see if there is anything left in his little bag of tricks that will keep a sinking ship afloat. The senator and his associates have described some details of the eight-man committee that will handle Liberal Party advertising in the next election campaign. Supposedly by sheer coincidence it happens to be composed of top officials from four advertising agencies which, in turn again by sheer coincidence of course, just happen to be agencies that have somehow received fat government contracts. This is nothing more than scandalous and degrading use of government advertising contracts as a political pay-off to those who will attempt to keep the government in power, presumably with some anticipation of their firms receiving another ride on the gravy train.

It seems to me, Mr. Speaker, that this is not only a deplorable situation but also could be construed as an attempt to get around the limitation on expenses imposed by the new Election Expenses Act. In other words, these eight men, described by the former executive assistant to the Minister of Finance in a rare moment of political candor as "our type of people", will presumably come to the aid of the Liberal Party more or less free of charge and any subsequent fat advertising contracts that might be awarded to their firms by a Liberal government would be absolutely coincidental. Without a doubt, Mr. Speaker, the present system of awarding government advertising contract on the basis of ministerial prerogative is about the worst example that exists of a government doling out political party patronage from public funds. It is essential that steps be taken to remove millions of dollars of government advertising contracts from their present status of nothing more than political slush funds.

I would like to say a few words about the government's sacred cow, namely its methods of instituting bilingualism—and I refer particularly to the methods of institution—in the public service which it has sought to wrap in an aura of untouchableness. It has attempted to create an atmosphere in which it is immediately considered sacrilege for anyone to offer legitimate, justifiable or constructive criticism on the subject. In reality, the bilingual program and the methods of implementing it should be fully and most carefully scrutinized, in the same manner as any other government action. This sacred cow should no longer be viewed through rose-coloured glasses but instead should be completely examined in every detail for the purpose of eliminating its nonsensical aspects and at the same time assuring fair treatment to all person employed in the public service. As a start, I would suggest that Canadians are entitled to a much better performance than they have been getting on this subject from both the President of the Treasury Board (Mr. Drury) and the gadfly flitting around of official languages commissioner Keith Spicer of Westmount Rhodesian fame.

[Mr. Cossitt.]

● (1600)

It seems to me also that we could do without cocktail circuit bilingualism, as evidenced by the spending of some thousands of dollars to give language lessons to wives of senior public servants in an unwarranted abuse of public funds. Why should the taxpayers pay for language lessons taken by the wife of the governor of the Bank of Canada who makes $75,000 a year, and why should the taxpayers of Canada be paying for language lessons taken by the wife of the president of Central Mortgage and Housing Corporation who has been quoted in the press as saying she took language lessons so that she could get along better in French at cocktail parties? Already $85,000 are reported to have been spent on this particular nonsensical aspect of the implementation of bilingualism, and I suggest it should be stopped forthwith. I believe that the implementation of bilingualism in this country, the methods being used by this government, has become a mismanaged monstrosity manipulated for political purposes and that a thorough examination is certainly warranted.

In conclusion, and with regret, I must say that I have found in my constituency, and places elsewhere as well, disillusionment with Canada as it is today. There is a feeling, which I believe is justified, that this country is drifting in a sea of economic and social confusion because there is not a firm hand at the rudder prepared to deal with our problems. Surely, it is time that the interests and problems of Canada and its people were attended to. Surely, it is time for an end to government by emperor complex, for an end to government that classifies democratic opposition as nothing more than nobodies. Indeed, it is time for an end to a government that wants to hold office, not for the prime purpose of doing good things for ordinary people but for the sake of clutching power in the palm of its hand. Canada needs a government that is prepared to come to grips with our social and economic problems. Canadians deserve a government that will fight the cost of living with something more than the inaction and the empty words of recent years.

Mr. Paul E. McRae (Fort William): Mr. Speaker, I should like, first, to extend my congratulations to our new Governor General and wish him the very best in this most arduous post. I should also like to congratulate the mover and seconder of the Speech from the Throne. Their efforts reflect the great contribution that has been made in this House by the younger, newly elected members, and also the growing concern of the whole House about the poverty which exists in Canada and throughout the world.

In reflecting, after one year in the House, the thing that stands out in my mind is the essential fragility of Canada as a country. We see the great problems with the two languages and the multicultural problems. We see problems in the poor and welfare areas of the country. We see problems between the developed and the undeveloped areas, and we see problems between the provinces and the federal government which result in clashes between them.

Mr. Neil: And nothing is being done about it.

Mr. McRae: A lot is being done about it and I will come to that in a moment. I see Canada as an essential core with

an outer area, and with clashes between the centre and the outer area. This is another of those stresses which we see.

I should like to deal for a few minutes with two or three major problems facing this country to illustrate its fragile nature and to stress what I think is needed, namely, a much stronger federal initiative. We must listen to the provinces, but then we must make our stand.

I should like to deal briefly with the whole matter of our energy policy as it has been laid down and as it is developing. Sometimes when we deal with a topic as large as this it is well perhaps to dig ditches and build bridges. In other words, I would like to stop at a certain point and deal intensively with one matter, then go over other parts rather quickly.

There are three basic elements to our energy policy. The first one is an adequate and secure supply for all of Canada. I think that we must deal with an adequate supply both in the long and in the short run. In the short run, we were very concerned in the latter part of the last session and in this session with the possibility of an emergency this winter. For many reasons this emergency has not occurred, and I hope it will not occur. Of course, the energy allocation bill was the result of that concern. However, I should like to spend a good deal more time on the long-run aspects of our energy policy, because I think the situation is much more grave in the long run. I believe, too, there has been far too little concern about this aspect.

First, I will talk about oil. Early in 1972, the Canadian geological survey indicated that Canada had 135 billion barrels of ultimately recoverable reserves of conventional crude oil. A year later, early in 1973, this figure was reduced to 99 billion barrels, but not because we had used anything like that quantity in that period. In fact, we had used less than a billion barrels, but the figure was reduced because the information that the government had was changed. The information was changed, I think, because the department itself was a little more careful about checking its sources and was doing more work in arriving at these figures.

A year has passed since these figures were published. It is my estimate that the figure now is closer to between 60 and 70 billion barrels. In other words, our estimate of reserves ultimately recoverable of conventional crude oil has gone from about 135 billion to about 60 to 70 billion, or about half of what it was two years ago. Also, I think it is very significant that there have been no significant finds of conventional crude oil in the offshore areas or in the north since this 135 billion barrels figure was posed. So, we are still speculating so far as this is concerned.

Now, we do have a very large source of oil which we know exists. Perhaps the exact quantity is not available, but it is certainly very significant. I refer to the tar sands in Alberta and Saskatchewan. We do not have to spend time to explore or find these tar sands. We know where they are. For instance, we know that perhaps 50 billion to 60 billion barrels could be obtained through strip mining, but there would be great problems associated with it.

● (1610)

We are told that by 1985 Canada will require approximately 2 billion barrels of crude oil per year, and that our conventional western reserves will be used up by that time. At present, we have about 10 to 12 years of ultimately recoverable conventional western crude in our reserves, and I repeat that by 1985 these reserves will be just about depleted. As a result, we will be dependent on the conventional crude we find in the interval, and on the tar sands. I think it behooves us to realize that the tar sands are the significant area upon which we must concentrate. The problems involved in getting 2 billion barrels per year out of the tar sands will be tremendous. I am told that Canada will require something like 17 extraction plants using a strip mining process which would entail an investment of something like $30 billion.

Even if that amount of money were available, there would still be a problem in bringing the plants into production at a rate much faster than one every year and a half, or one every two years. As a matter of fact, an Alberta government interdepartmental study of the tar sands suggested that four years might be the minimum period for bringing each plant into production. I am told the industry suggests it could be done once every two years or once every year and a half. Obviously, this means that we could not get 17 plants into operation by 1985. As a matter of fact, the small Syncrude plant now in operation will not be on full schedule until 1978. In addition to the job of getting the plants on stream in time there is a significant environmental problem in that the process requires a great deal of water. Water has to be converted into steam, and the steam is then used to extract the oil and gas from the sands.

Considering these factors, it seems to me that the very large body of oil, possibly 200 billion or 300 billion barrels, that is *in situ* below the area that can be strip mined, is the one that can be of most benefit to us in the long run if we can develop the right extraction processes, particularly in terms of the environmental considerations. But at this particular point in time, no really worthwhile research has been done on how that significant body of oil could be recovered and put on stream.

So far as natural gas is concerned, we can assume that we have about 20 to 25 years supply in normal positions, that is, in areas from which it can be delivered fairly simply, with fair quantities of gas in other areas where its extraction will require tremendous investment. Here I mention the north in particular.

We also have massive reserves of coal. But there are problems attendant on the use of coal in large quantities, environmental problems, sulphur problems, dust problems. As an example, for the community of Thunder Bay, Ontario Hydro is now proposing to erect a thermal plant which would use lignite shipped in from the west. The Thunder Bay residents have expressed strong opposition to this proposal, opposition which I support, because this means that a significant amount of dust will be spread through the atmosphere wherever the coal is landed. Environmental problems will arise also from burning the coal, and these, too, will affect the community.

We are coming to the end of the road in generating electricity from water power. Now we have embarked on projects such as James Bay and South Indian Lake. One possibility which disturbs me very much is that rumours are afloat that work might be undertaken in the future on the Albany River. When such diversions occur, we do

irreparable damage to the environment of the areas affected. Up to this point I have been dealing mainly with the supply side, and the brightest spot on that side is the nuclear possiblities. The CANDU reactor project has been a most successful one, successful beyond the dreams of the engineers who set it up. I do not think anyone expected the kind of load efficiency attained, which has been something like 95 per cent.

I think a serious look should be taken at the success of the CANDU plant at Pickering to see if it would not be possible to phase out some of the more difficult, more dangerous, and more environmentally expensive parts of the James Bay project in favour of using another CANDU nuclear plant. This is something that should be examined before the James Bay project proceeds much further.

But there is a serious problem associated with the CANDU plant also, particularly if we were to build 200 or 300 of them, and that figure is quite possible when one looks at the demand curves. With such a number we would have problems with heat, with nuclear waste, and with producing heavy water, although lately we have had more success in the latter area.

There are other ways in which energy supply can be increased, but all of them present serious problems. For instance, the gasification of coal is looked upon as something that can be done fairly easily. However, we must remember that this requires huge amounts of water. If the Americans intend to gasify a large quantity of coal—and it is said that they have enough coal to last them for 200 to 300 years—they will require huge amounts of water. Once again we would be placed under a strain. Where would they get the water they require? Approximately 2½ tons of water are needed for each ton of coal in order to produce gas. Of course that water would have to come from somewhere, and the Americans would naturally look to Canada for this water.

The requisite technology is nowhere in place for the development or the recovery of solar energy. Other suggestions such as biomass, and so on, have been put forward, but such developments are a long way off. The technology is not available. But even if by some magic sleight of hand we could develop all the energy we require, I think we would only be compounding our problems. I say this because if we were to increase our supply of energy, then we would use up other resources more quickly and eventually would run out of those. For instance, our supply of zinc would not last long if we decided that all cars should be electric. We would not have enough zinc under the earth to supply batteries for those cars. There are some very great dangers inherent in increasing energy supply at the rate we consider necessary.

● (1620)

Let us look at the demand side. We have looked at the supply side and it is grim. If we continue at a 5 per cent growth rate to the turn of the century—that is 27 years—we would have a factor of four: we would be producing four times the goods and services we are producing now. By 2028 we would be producing 16 times the goods and services we are producing now and would need 16 times the energy if the growth rate were 5 per cent. By 2056 we would need 64 times the amount of energy we are using today. That is what we call the demand side.

If you take the supply curves and the demand curves and plot them, as has been done by the Energy Board and other groups such as Gulf Oil, you see supply curves that rise fairly gently. In other words, we are only going to increase the energy supply slowly. But you see demand curves that go up almost perpendicular, and by 1978 or 1980 these curves cross. Beyond that point, the demand is ridiculous. I feel that we must take a real good look at the demand side and ask how we can reduce the demand for energy and the demand for natural resources. This is the important issue of the seventies, and if we do not solve it we are not going to make it into the eighties.

I have suggested that if we continue looking at these questions in terms of supply only all other things are going to run out. We have the supply question getting us into messes like the James Bay project, South Indian Lake, the South Albany River, the Mackenzie Valley oil and gas and these kinds of things. We have to find the massive investments required even for the gentle supply curves—$75 billion to $100 billion—in the next ten years and face the distortion that this will create in the economy.

My community is very involved in and dependent upon the pulp and paper industry. If there is an investment of $75 billion to $100 billion in energy alone, then a lot of it is going to come from the United States and other parts of the world. How are these countries that have to spend so much to get their energy, going to buy our pulp and paper? The Canadian dollar has gone up to $1.03 and $1.04 already, so what will be the distortion if we have such massive energy investments?

Inflation is a problem which the opposition has been talking about a great deal lately. One of the reasons for it is that we have a very heated economy with a 7 per cent growth rate. I was talking about 5 per cent when I said that by 2056 we would need 64 times the energy that is used now. In the last year we have been running at a 7 per cent growth rate and this has had a tremendous effect upon inflation. I think we really have to look at the cost of the demand side of our energy pattern.

I was very pleased to hear the Prime Minister (Mr. Trudeau) speak about the demand side in a statement made on New Year's Day, and I should like to quote from it. He said:

> All of the resources we now take from the earth come at an enormous price. This price is in effect a distress signal, a warning that thoughtless exploitation can in the end lead only to tragedy. To continue our present rate of consumption would be to deplete in short order the heritage of countless centuries, to squander mankind's only legacy on this small and finite planet.
>
> What we face now is not deprivation, but the challenge of sharing. We need not do without, but we must be good stewards of what we have. To ensure nature's continued bounty, we are not asked to suffer, but we are asked to be reasonable. We are asked to adjust our demands to nature's limitations, to realize that unrestrained consumption by individuals and economic sweepstakes among nations are not acceptable ideals.

I think this is one of the most important statements that have been made in the last two or three years, and there are certain things that flow from it. One is the setting up of a conservation office. I do not think that many of us are

aware of this office but it is an important step and every support should be given to it to do the job that is required. Here are some suggestions on what it could do.

An important area in which the consumption of energy could be considerably reduced is interurban transport. As an example, in terms of gross tonnage rail transportation achieves 550 ton miles per gallon as opposed to highway transportation which gives only 38 ton miles per gallon, so there is a tremendous energy saving in using rail transportation. In net tonnage, rail would give 200 ton miles per gallon and movement by truck would give 50 ton miles per gallon, so the implications for piggybacking in this industry are enormous. Building a railway would only take from one-third to one-sixteenth of the energy used to build a highway, and about one-quarter of the space. A railway would use only about one-sixth of the fuel per passenger mile that would be used for air transportation. This has serious implications in terms of Pickering airport. Do we need it in light of the supply of energy and the demand for energy today? Should we not ask if it is a feasible proposition? Is rapid ground transportation not a much more sensible solution to the problem, considering the energy situation? Rapid ground transportation would only use about one-sixth of the energy necessary to move passengers by air. A great deal of consideration should be given to this question.

We should also look at better forms of urban transportation in an effort to keep cars out of our cities. Again, great savings in energy could be achieved by different kinds of housing construction, improved insulation and so on. There might be changes in our life style because we have to restrict our consumption of energy; indeed, such changes are being anticipated.

When we talk about this whole matter of demand, we are talking about a growth rate that is today 5 per cent, 6 per cent or 7 per cent. But that growth rate perhaps should go back to one per cent or 2 per cent if we are to rationalize the demand and supply sides of this problem. Slowing growth involves many difficulties. We must examine the psychology of growth. We know what happens in a bureaucracy. A bureaucrat sees his power, position and income increase in proportion to the number of people working under him. That situation is common to all bureaucracies and is one of the reasons underlying growth. Growth has been the big bogey, so to speak. We have said that it is needed for the creation of new jobs. That being so, we must look at other ways to create jobs, if necessary without growth. Perhaps job sharing and income diversification programs could be considered. Certainly, lowering the rate of growth would have a strong anti-inflationary effect.

● (1630)

When I speak of lowering the growth rate in Canada, I do not mean that there should be no growth, or that we should not redistribute growth. Certain areas, such as the Golden Horseshoe area, where growth is creating all kinds of problems, should be free from growth for some time at least. The mayor of Toronto has been loud in complaining about the growth of the city. He suggests that growth should be diverted to other parts of the country.

An hon. Member: Send him to Cornwall.

Mr. McRae: If I may move on, I suggest that our energy policy must involve adequate and secure supplies, and a delivery system capable of delivering those supplies. Those of us who come from northern Ontario, in particular, were happy to hear the government announce that an all-Canadian pipeline will be built by the end of the decade which incidentally would serve northern Ontario.

Our energy policy must also recognize that there are serious problems connected with Canadian ownership and control of our energy industry, particularly in the field of petroleum. We need more control over the industry. By setting up the national petroleum corporation, we shall be able to exercise greater control. Personally, I am in favour of purchasing one of the larger national companies. Certainly, we want to control the industry. In particular, we must gain control of the tar sands, which is where the development will take place in the next 20, 30, 40 or 50 years. It is also important for the national petroleum corporation to involve itself in supporting Canadian independents in exploration and also the Independents involved in the distribution of energy products such as gasoline.

Mr. Speaker: Order, please. I must interrupt the hon. member, to remind him that his time has expired. He can continue if he has the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. McRae: Mr. Speaker, I will wrap up my remarks quickly. I suggest that a single, fair price across the country is also an important consideration. I could speak for another 40 minutes on this topic, and for that reason I will leave it. Nevertheless, the need is there.

May I also touch on transportation. The west faces transportation problems. As we get most of our petroleum and other forms of energy from the western provinces, and I am thinking especially of Alberta, we must make sure there is a quid pro quo, that is a better transportation policy for the west. I suggest that the National Transportation Act ought to be revised completely. We should revise the structure of freight rates. Unless the Act is revised, we will restrict growth to the centre core and keep it from spreading to those other parts of the country where growth is necessary. By using our transport system, we can diversify our manufacturing processes and the location of secondary industry across this country. That, I think, is extremely important.

In conclusion, Mr. Speaker, although I would love to spend more time on transportation and on agriculture, I suggest as strongly as I can that there is a vital need for a strong federal presence in this country. The federal government must consult with the provinces, but in the long run the federal government must take a strong stand on behalf of all Canadians.

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, the throne speech has been described as a typical, vague document containing goodies appealing to all regions of Canada and all Canadian citizens. When one reviews the track record of the government in the last session of parliament, that approach is understandable. But, sir, I must emphasize that the Speech from the Throne avoids

dealing with the issue most important to each and every Canadian, his health.

The government's disregard of major health problems, national in scope, will result in needless tragedies in the homes of thousands of Canadian families. During the last session of Parliament numerous proposals were introduced by members of my party, and by other hon. members of this House, which would have contributed effectively, in a positive way, to the health of Canadians; but no action was taken.

During the last session, I clearly enunciated an action oriented program to deal with the major problems of alcohol and drug abuse, and again no action was taken. Only today, during the question period, I raised a very special issue concerning the Medical Research Council, the importance of that particular organization and its interrelationship with health care in Canada. Again, the answer did not suggest that there would be action. I respectfully suggest that if the Minister of National Health and Welfare (Mr. Lalonde), who is not present, spent less time kicking around political footballs and spent more time devoting his energy to the health of Canadian citizens, perhaps the comments which I am about to make would be redundant and programs dealing with health problems would have been included in the throne speech.

May I remind this House, and in particular the government, that with the passage of the Department of National Health and Welfare Act in 1944, establishing the Department of National Health and Welfare, it was clearly defined that the department was charged with the duties, powers and functions extending to and including all matters—I repeat, all matters—relating to the preservation of the health, social security and social welfare of the people of Canada over which the Parliament of Canada has jurisdiction. I cannot emphasize too strongly that this government has not discharged its responsibilities in carrying out these duties, unfortunately to the detriment of countless thousands of Canadians.

Governments must work continually to fulfil their responsibilities of public trust and confidence, but it is also true that individuals must assume personal responsibility for the promotion and maintenance of their own good health. Future federal government health policy must reflect this dualistic approach. More emphasis must be given to disease prevention and to the development of educational programs designed to influence our health habits. We need a change from the present belief that good health and good medicine are synonymous. There is a need for the re-thinking of our manpower and institutional requirements. Our preoccupation to date has been with the health care organization and management which uses approximately 95 per cent of the health dollar. It is clear that the answer to many of the problems in the area of health care management depend upon appropriate federal-provincial consultation and co-operation.

I believe that the financial impasse facing the provinces can be resolved and, in accomplishing this goal, energies can be more effectively directed to health problems. There should be immediate negotiations with the provinces to effect a transfer of tax point payments to provincial jurisdictions. Surely, the provinces facing the ultimate responsibility of controlling costs should have the growth in tax revenue as a strong base upon which to launch extensive health program reorganization and further development in critical areas of need.

This implies, of course, that the entire management and administration of the health care organizational aspect of health should be transferred to provincial control. In order to do so, it would be necessary for the provinces to accept national uniform standards and guidelines designed to promote a comprehensive, universally accessible, portable system between all provincial jurisdictions, and recognize that the federal government has an important leadership role as well as the responsibility to develop programs designed to attack problems national in scope. In conjunction with the foregoing proposals, the federal government should guarantee that no future forced cost-shared health programs would be introduced without the agreement of the provinces.

● (1640)

A problem of major concern is that related to physician manpower requirements. Inequities have developed in the distribution of physicians throughout Canada. There is a necessity for immediate high level federal-provincial negotiations to achieve the following objectives. We need to define the total health manpower needs. We need to establish specialist requirements in all areas of post-graduate study. We need to determine an appropriate number of specific specialists per unit of population. There is an absolute need to encourage physicians to practice in rural and northern areas by devising methods of incentives. We must, of course, re-evaluate our medical school production capability. One is constantly concerned with the large number of excellent applicants, young people in Canada, who have the ability to become excellent physicians, but are unable to carry on their studies because of the lack of facilities. We must devise methods of encouraging greater entry by students into family medicine.

An area of growing importance is the use of computer technology. There is a need, in concert with the provinces, to update and modernize existent computer technology in Canada. Moreover, the federal government in cooperation with the provinces should undertake the responsibility of developing an ongoing annual health status survey of Canadians. While the privacy of each Canadian would be preserved, the survey would uncover new problems accurately and early. In addition, the survey would allow evaluation and analysis of the impact of various federal and provincial programs.

The possible benefits from regionalization of health care has been enunciated by this party in the past, and will contribute substantially to the rationalization of our present health system. While the ultimate responsibility for implementation remains within the jurisdiction of the provinces, it is the responsibility of the federal government to assist in the establishment of national norms and standards. To accomplish this goal, the federal government should extend the mandate of the community health directorate of the Department of Health and Welfare to assist such areas as the Yukon and the Northwest Territories and individuals such as Indians and Eskimos.

Environmental health problems are of particular interest and concern. It is important to recognize such problems may have an adverse affect on the individuals health and yet that individual is powerless to correct or eradicate the problem. It is clear in such situations government must intervene to protect the health of the individual. To achieve the necessary coordination in attaining many diverse ends in the matter of environmental health, the federal government should immediately create a federal interdepartmental committee, chaired by the Department of the Environment, with representatives from other effected departments to coordinate all aspects of proposed action on environmental problems including identification of these areas, full assessment of proposed action, establishment of priorities, setting of objectives, development of standards, support of necessary research, and proposed legislative action.

Emerging as the number one problem affecting the health of Canadians is that of lifestyle. Lifestyle health refers to those aspects of health over which individuals exert decision-making and control. Sadly, it has been the neglected area in our disease-oriented, physician-centred health care system.

In the past, little effort has been advanced by governments and little interest expressed by individuals for change. In part, this lack of personal responsibility has been due to lack of desire and, in particular, lack of knowledge on the part of Canadians to give up immediate pleasure for long-term health benefits. However, it is evident that value-systems of Canadians are undergoing change as demonstrated by a resurging interest in physical fitness, and the federal government should give every possible encouragment to this trend.

The responsibility for co-ordinating and providing leadership in prevention policies in this field should be part of the new duties of the federal department of health. May I again re-emphasize the pre-eminent responsibility of each province in the provision of actual treatment and rehabilitative facilities.

I want to turn to some of the specific problem areas in which there is no evidence of federal leadership and in which it is required. To do that, I will refer to some statistics. Although they are boring, I think they will at least establish the priorities. I wish to refer to the year 1971 for potential years of life lost. That is very simply calculated by taking the age of 70 as the average lifespan. For example, if someone should pass away at age 40, we would calculate there were 30 years of potential life lost.

In 1971, the potential years of life lost were 1,317,651. Of 124,795 deaths, many were preventable. Let me list some of the figures. Heading the list is motor vehicle accidents with 212,925 potential years lost. As the result of ischemic health disease, 193,380 years of life were lost. Other accidents accounted for 178,792 years of life lost. Respiratory diseases and lung cancer were fourth on the list. Fifth on the list was suicide followed by cancer of the breast, uterus and ovaries, strokes, cardio-vascular accidents, gastro-intestinal cancer, leukemia and cirrhosis. I am sure these figures indicate where the priorities lie and the need for leadership in these areas is obvious.

I wish to deal with the first group, cardio-vascular disease. At the present time there is no program, national in scope, to deal with this most devastating problem. If we are concerned about the health of Canadians, I believe that a major assault must be launched in Canada by the federal government to influence the incidence of cardio-vascular disease and the resulting morbid end results of this disease process. The program should at first be preventive in nature by influencing the decisions of individuals to discontinue lifestyle patterns which contribute to the course of cardio-vascular disease.

A national policy is required urgently to promote lifestyle changes in the dietary habits of Canadians. Targets must be established to control obesity as well as levels of consumed saturated fats. These educational programs must be directed not only to the public but as well to all interested professions.

Aggressive programs designed to decrease patterns of cigarette smoking are urgently required. Further, the tobacco industry should be obliged to decrease the levels of nicotine and tars in an effort to reduce the health hazards of smoking.

Lifestyle practices of sedentary living with lack of physical fitness must be overcome. We should extend present federal programs in this area to reach, in particular, men between the ages of 40 and 70.

Immediate negotiations should begin between the federal government and the food processing industry to set standards for the processing of "lean prepackaged meats"; to establish greater use of vegetable fats; to alter the level of saturated fats in some dairy products. Likewise, standards are required for the level of saturated fats in baked goods, and finally, guidelines need to be established for total fat content in all packaged food.

I now wish to turn to another area in which there is no federal leadership or involvement. I refer to cancer and lung disease. There can be little doubt that cigarette smoking patterns play a major role in lung cancer statistics, and not only in statistics relating to lung cancer but statistics relating to chronic bronchitis, emphysema and athsma. Since tobacco is a highly addictive drug, withdrawal is difficult to achieve. Research must be urgently mobilized not only to discover pharmacological substitutes to assist in withdrawal, but also to uncover and demonstrate viable program techniques to assist each individual in organized community programs of withdrawal. Research must be stepped up in the search for low carcinogenic tobacco strains through the collaborative efforts of the Department of National Health and Welfare.

● (1650)

Medical research in the whole area of cancer must be stepped up. The Medical Research Council must be supported with additional funds in this particular endeavour. Of course, delays in transmitting research results to the clinical level must be overcome. In addition to this, public programs advising Canadians of the cancer danger signals must be stepped up.

Let me turn next to the problem of motor vehicle accidents. As I indicated earlier, the potential years of life lost is tops on the list. In 1969, three million hospital days attributable to all accidents were recorded. It is time we looked for driver responsibility in terms of traffic fatalities and accidents.

There are a number of considerations which must be undertaken when working with driver lifestyle factors in automobile accidents. Provincial jurisdictions must reconsider relicensing examinations and education to supplement present driver education programs. Reckless, inconsiderate and fast driving must be stopped through these educational programs. Mental health programs will help cut down on the incidence of suicide in terms of motor vehicle fatalities. Since 50 per cent of traffic fatalities involve use of alcohol, we should seriously consider introducing compulsory breathalyser examinations in all serious accidents and provide stiffer penalties for drunken driving.

In addition, Canadians must be educated as to the effects of legitimate drug use on driving skills, particularly when these drugs are mixed with even small amounts of alcohol. We must also seriously consider making seat belt use mandatory, a matter mentioned recently in the press. The capabilities of the federal departments of health and transport, along with official agencies in this field, should be mobilized to define a strategic set of objectives and priorities.

The next area I want to talk about, in which there is minimal federal involvement and no leadership, is the area of alcohol and drug abuse. There is no other area of health of more concern to our citizens, and in particular to parents, than that of alcohol and drug abuse within our society. I spoke at length in the last session about the necessity for an action oriented program, so I have no intention of reviewing in detail that particular area. May I remind hon. members of the House that the LeDain commission has confirmed the seriousness of the problem and has made many positive recommendations which this government has ignored.

In this area of health, all provinces are at work in the implementation of treatment programs and the development of educational preventive programs. Unfortunately, much of this work is duplicative, fragmented and uncoordinated. Federal leadership is required desperately to assist the provinces and the many voluntary agencies.

Once again I call on the government for the formation of a national institute for drug and alcohol dependencies to serve as the vehicle for the implementation of such a program. Such an institute would provide a framework for federal-provincial co-operation of an unprecedented order. It would be charged with the development of working relationships with all treatment, rehabilitation and prevention agencies.

I want to make a few comments, if I may, about mental health. In no other area of health are the direct and indirect financial costs greater, the tragedies in families more profound, and the personal distress to the patient more agonizing, than in the area of mental health. In no other area is the lack of federal participation in the sharing of costs, and the lack of federal leadership in developing programs, greater than in the area of mental health. I have stated earlier the need for a new cost-sharing formula that is based on the tax point transfer mechanism. This consideration, of course, must include more reasonable participation by the federal government for provincial responsibilities for mental health.

[Mr. Holmes.]

It is also necessary to establish immediately a high priority task force of professionals to identify not only the specific audiences that would benefit from educational approaches, but also the teachers, community and professional personnel who would carry the burden of guidance or counselling. In addition, this task force would identify the research priorities in the whole area.

Canada should and must have a national mental health act. This legislation would promote research into the cause and treatment of mental illness; establish manpower training requirements; set out educational programs for community workers, including teachers, the clergy and interested and concerned parents; and provide for special demonstration projects designed to improve programs of prevention, diagnosis, treatment and rehabilitation.

Finally, after appropriate consultation with the provinces, serious consideration should be given to the formation of a national institute for mental health. The federal and provincial governments, professional agencies, and the universities, as well as consumers, would participate in effectively integrating and co-ordinating all important mental health activities.

Again the federal government has ignored another extremely important area, the special problems of the aged. Older age groups are increasingly subjected to debilitating diseases which require prolonged hospitalization. Once again I think it is very clear where our priorities are in terms of research, prevention, treatment and rehabilitation. While we recognize the importance of a young, energetic work force, it is essential that senior citizens continue to be productive to society and to themselves. There is no doubt that the mental health of our senior citizens can be enhanced through continuing productive participation. Indeed, our senior citizens want to be recognized; they want to be part of our society. Besides, many sectors of our every day economy continue to require part time assistance, consultation and advice from these expert senior age groups.

The aging process is also related to many single discomforts of life that can often be resolved with prompt intervention. For example, nutritional disorders can be linked to buying power or can be linked to the lack of proper fitting dentures. The lack of glasses and hearing aids are major problems. I believe that these problems can be resolved easily through co-ordinated action by the provincial and federal governments, and discussions should be held immediately with the provinces to accomplish this end.

Throughout my remarks, Mr. Speaker, I have been asking for a concerned, compassionate government to assume their responsibilities in attacking major health problems, and I have asked the individual Canadian to join the team to improve the health of all Canadians. To achieve this goal and to enhance the motivational process of all Canadians, I would strongly urge the creation of a national health advisory council. In addition to representation from professional groups, researchers, university administrators and the Department of National Health and Welfare, I propose that membership also include health care consumers with appropriate regional, ethnic and social class representation, as well as specific consumer health interest groups. Recommendations from the mul-

titude of government agencies, professional groups, official or voluntary agencies which pertain to major policy decisions to be considered by the government of Canada should be reviewed and assessed by this council with the capacity of making appropriate recommendations to the Minister of National Health and Welfare (Mr. Lalonde).

● (1700)

I should now like to say a word or two, if I may, about health research in Canada. The ultimate goal of all health research is to improve the health of each Canadian. Research is linked intimately to the training of professional manpower and a high quality health care system which is further dependent upon viable research. This government has failed to recognize the fundamental truth that medical and health education, medical and health research, as well as the health care systems are linked inseparably to research and health research problems.

To resolve the numerous research problems, I would urge a bold new approach to total health research in the form of an all-encompassing national health research institute. This institute would represent a partnership between the federal government, universities and individual researchers in all fields of endeavour. The board would consist of representatives from universities, administrators and researchers from government and from consumers of health services. This board would report directly to the Minister of National Health and Welfare, and hence to the Cabinet. I can visualize three major components of such an institute: The bio-medical area which is presently under the direction and supervision of the Medical Research Council, and its terms of reference should be expanded; a health care organization to continue the present efforts of the national health grants program, which should be enlarged; and the third area, that of prevention, to include coordination of lifestyle and environmental research components of health.

It is clear that in removing some areas of jurisdiction from government we have effectively asked that universities and the public share the responsibilities for guiding our research destiny. The first task for this new agency would be to establish a national research policy all-encompassing in scope. This body would identify those specific needs and priorities requiring urgent attention, and institute appropriate research programs. Such a body would report to the minister on human and financial resource requirements. Such an agency must promote a higher and more effective dialogue between governments, universities and the public, and there must be periodic evaluation, assessment and recommendations for improvement of the health care system. This agency should link itself in a workable manner with those activities I suggested in respect of a national institute for drug and alcohol dependency. This agency should ensure the academic freedom and present high level of excellence of our researchers, and guarantee stability for those researchers in the health field.

In conclusion, it is the individual Canadian who must capture our concern. When responsive and responsible governments address themselves to health problems and join with an interested and concerned public, as I believe is possible then I have no doubt we can improve the health status of all Canadians.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. Before recognizing the hon. member for Saint-Michel (Miss Bégin) may I advise the House that pursuant to Standing Order 40 the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Wellington (Mr. Hales)—Industry, Radio Engineering Products Company Limited—inquiry as to sale and recovery of indebtedness to Crown; and the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Recipients of war veterans' allowances, old age security and guaranteed income supplement—Provision of cost of living increases.

SPEECH FROM THE THRONE

[*English*]

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of th motion of Mr. Stollery for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Stanfield (p.31).

[*Translation*]

Miss Monique Bégin (Saint-Michel): Mr. Speaker, before extending the usual wishes, may I convey to the House the pleasure and pride of my fellow citizens of Saint-Michel who have discovered, as it were, our Governor General His Excellency Jules Léger through his interviews on television and have immediately felt drawn to him. As for Mrs. Léger, my colleagues all noted last week that we were so much at ease in the elegant residence of Rideau Hall that I wonder if she did not find it trying when we lingered there.

Mr. Speaker, allow me to convey once again to you and your assistants for that second session of the 29th Parliament, my best wishes in carrying out your very heavy responsibilities.

Before dealing with the main issue, that is the Speech from the Throne, I would like to say a few words on the profession of member of Parliament. On behalf of my colleagues I would like to thank the Speaker and President of the House of Commons of Canada for this co-operation in drafting regulations relating to hon. members' offices within federal constituencies.

The government caucus had laid upon me the responsibility for getting hon. members' opinions on this question and piloting that long awaited project. For the next few minutes I would like to talk a little about hon. member's task at a time when our role is getting greatly discredited, when the importance of the politician in the economic, social and cultural life is more important and real, when there is worry and when it is essential to have a fair

representation of the people, so that this job may be really open to men and women who are willing and able to serve their fellow citizens and their country, even if they are not rich and are unable to face very high election costs and so that they may not only enter politics but do their job in a serious and sincere way.

It is a common saying in the general public that the member of parliament is some kind of person of standing who is entitled to mysterious privileges, in short, a person of standing who does not work very much and has an easy life. This I say without any resentment, but I think it is important to say here, sixteen months after my election, that this idyllic description has nothing to do with reality, at least for the great number of members I got to know and who have become colleagues and friends of mine.

In our Parliament, a session now lasts 10 or 11 months of the year, five days a week and three entire evenings, besides the tiring hours of work in committees of the House, including hearings held across the country. Added to that the usual work of a member of Parliament on behalf of his constituents and of those who request his help. Such work is a daily task which knows no rest during weekends. I am not mentioning here the caucus meetings, the representation duties, etc.

Last year, at this time, I was directly in charge of the interests of about 150,000 citizens. In one year, this number has been increased by 25,000. Did anyone ever ask what were the working tools of the federal member of Parliament in order to serve his constituents? After a month in office, I was astounded at the telephone bill that was awaiting me! And yet, all these long distance calls were about my work as a newly elected member of Parliament, due to problems brought to my attention by my constituents. A few months earlier, I was one of the 400,000 public servants, a specialist "at the service of the people". Today, I am on the other side of the fence, if I may say so, one of the 264 "general practitioners at the service of the same people". Before, I had at my disposal all the basic tools required. Long distance business calls anywhere in Canada or outside the country were paid of course by the government; any document could be duplicated in record time; travelling expenses and allowances in this country or sometimes even outside the country raised no problem. Green boards, charts, newspaper or magazine subscriptions; telegrams, books, briefcases, overtime staff, translations, were of course available as required. I did not have to pay for my French-English dictionaries, nor for any office equipment—Of course, we had air conditioning; anyway, we were on leave in summertime—

It is certainly not fashionable to try and foster pity for the M.P.'s. However I would like to correct the descriptions of the mass media on this question erroneous as they were, but not malicious I hope. On top of a fixed annual salary and an annual allowance for extra personal expenses caused by a second home and its attendant expenses, allowance which must also cover other expenses of all sorts, the federal M.P. does not receive any other allowance. It should be mentioned that his official mail, as that of all Canadians writing him, is postage free.

Last June, he found himself allowed, for the first time, to use a telephone credit card inside his constituency, and this applies only to the 156 non-urban constituencies in Canada, and between his constituency and government offices in Ottawa. All other long-distance calls require by our trade are charged to us. And since Christmas this year, thanks to the good offices to the Speaker who, as of January 15, 1974, promulgated standing orders to this effect, each of the 264 federal M.P.'s can open an office to serve his constituents: lease, furniture, maintenance, telephone, taxes, etc., are payed directly to the suppliers by the House of Commons up to a total of $200 a month. The required secretary or secretaries are hired by the House of Commons of Canada at a salary or salaries not exceeding $6,000 per constituency.

The amount of work required from a federal M.P. in his electoral riding is great, considering the increasing complexity of the government apparatus, the different jurisdictions and the constantly increasing number of programs directly aimed at the population.

● (1710)

We are often contacted not only for information—a service which should be normally provided by Information Canada—but also for assistance in drafting community projects, not to mention the great many individual applications for assistance of various types. Actually we are eager to maintain a regular liaison with various groups. I should like to mention that since it takes three elected members to the provincial legislature to carry out similar duties in my own riding, my burden must be three times as heavy as theirs.

It is therefore inacceptable to hear on a CBC news broadcast the following statement:

> Mr. Drudy earmarked a reserve of $924,000 . . .

—as though in the age of Louis XIV—

> . . . to help elected members maintain an office in their respective ridings, amount which equally shared among the 264 members, would provide every one of them with an additional income of $700 a month, tax-free, of course.

An editorial such as the one published in the November 12, 1973 issue of the *Globe and Mail* is equally inacceptable. The only purpose is merely to provide each hon. member with a small measure of the resources he needs to serve his constituents.

Before going on to something else, Mr. Speaker, I should like to thank you for having considered recommending that at the opening of the first session of a new parliament, the government refer the regulations concerning these constituency offices to the House Committee on Procedure and Organization for study and recommendations.

This four-party committee, open to the public, will have an opportunity to study the various methods that the members from all parts of the country have tried in order to serve their constituents as well as possible. They will then truly answer for them to Parliament, as they have already answered for them to the public.

I have taken nearly half of the time allotted to me on this single question, Mr. Speaker, because I believe in my duties as member of Parliament and I am well aware that the Canadian people would like to believe more in those who represent them. They want representatives who can do their work with all the ability and means required to

understand, for instance, the complexities of the accounting of multinational companies, windfall profits, spiralling food costs, etc. They want representatives who can protect their rights as human beings, consumers and Canadians; representatives who will truly contribute to the drafting and development of the pieces of legislation and administrative measures listed in the speech from the throne for our second session of Parliament.

[*English*]

As I now talk of the thrust of the Speech from the Throne, I ask myself what kind of Canada Canadians want in 1974; what kind of society do we want for our children; how will we achieve this; how will that vertical mosaic stretching from Cape Spear to Mount Elias, a distance of about 3,200 miles, ever help the west and the east re-unite? If this Speech from the Throne seems so important to me it is because of its concerns and effort in offering numerous concrete ways to achieve Canadian unity and reciprocal understanding between all parts of the country. It does so mainly through two approaches. The first is through erasing as much as possible inequalities, such as regional disparities, unequal distribution of natural and financial resources, discrimination based on sex as well as those injustices based on other prejudices. The second is through inviting all Canadians to participate in common enterprises in the making of our country, and in a Canadian identity, such as the development of a national petroleum company, an optimum over-all land use, and the exploitation of the living resources of our fresh waters and seas. In so doing, this government is showing its continuous understanding of what Canadians want. For, Mr. Speaker, Canadian unity cannot be achieved without Canadian identity, and economic growth will not mean a thing to us if it is achieved outside of a frame of social justice.

[*Translation*]

We have heard all kinds of remarks to the effect that this Liberal government has changed direction. Some people have written that we have gone back to an old-fashioned form of confederalism, others that we have set great principles aside to deal with trifles. It is obviously fashionable to say that the New Democrats are governing this country and not us. To say the truth, and with no ill-feelings towards that party, I would be at a loss to define what is a New Democrat. I think that in Mackenzie King's times, the only known definition was simply to consider them, and I quote, as "Liberals in a hurry".

In fact, seldom has a government been so realistic while following such an absolutely consistent policy, despite the sudden burst of a national crisis: domestic inflationary trends brought about by international uncontrollable situations, and, during 16 months, a genuine minority government.

This government has first dealt in the past decade, with the most critical problem that was bearing heavily on the social conscience of Canadians and I refer to the situation opposing the two founding groups of this country, and concerning their respective rights and status, and their equality of opportunities in taking part in the decision-making process of the whole of our Canadian society.

There was, therefore, need to draft and pass without delay the Official Languages Act of 1969. This legislative tool was the most essential basis for any further social measures. Sixteen million English-speaking and six million French-speaking people. Each and every Canadian, especially those who did not know the other official language, had to be guaranteed their rights to their own language.

It was not easy! One need only have witnessed the insults, the exchanges loaded with emotional overtones in the House of Commons during our recent debates reaffirming our policy, in May and June last, and even this afternoon, never to forget them. It was not easy and we still have a long way to go.

No legislation will ever do away with prejudiced attitudes or mentalities. Time only and daily efforts—personal and collective—will enable us in the next few decades to evaluate the progress made and the soundness of that historic initiative. To that initiative, we have added another: the policy of "multiculturalism in a bilingual structure", which was promulgated two and one half years ago.

● (1720)

I was struck, when I had the honour and the responsibility of spending three months with the UN as the Canadian delegate, by the erroneous picture one generally has of our country. I often had to explain that my country was made up of "three thirds": the French, the English, and those who from Germany, Italy, Ukraine, Holland, Poland, Greece, China, Portugal, Scandinavia and elsewhere came to settle in our land, and whose value we appreciate as much as they appreciate what they found in Canada.

The first budget assigned specifically to multiculturalism amounted to $10 million, in additon to the $2 million allotted in January 1972, provided for the distribution of subsidies, about 600 of them, totalling $2.5 million. After a careful study of the description of the recipient projects, it seems clear to me that we are still in the preliminary stages in the formulation of the principles which should guide the application of that program, the nature of which could either sow division, or encourage mutual understanding and tolerance. In that case as well, there was a risk, while specialists are confirming that a world movement towards a strong "linguistic nationalism" and a multiplying of languages in use is being observed, which leads isolated groups to retire even more within themselves.

The last Speech from the Throne of January 4, 1973 complied with its commitments despite the suggestions of the previous speaker, the hon. member for Lambton-Kent (Mr. Holmes). Anyone who reads it carefully and compares every item of it with today's reality can but be struck by the numerous and good measures that were taken subsequently. However, I would dare to suggest that in two areas, the legislation that was passed by this House appeared too weak although successful to me—that is, first of all, the balanced maintenance at a high level of incomes, production and employment, and next, the over-all initiatives and measures designed to meet the Canadians' wish to control and protect their economy and their resources through direct participation—have become the very basis of the measures put forward in the present Speech from the Throne.

The inflationary crisis was not as serious, making all due allowance, in Canada as in other developed countries although it involved a heavier burden for certain Canadians than for others. As a matter of fact, three of these groups that are often forgotten by people who live in the cities will be affected by the measures concerning farmers, fishermen and seasonal workers engaged in these sectors of our economy. Do they really have the choice to leave their area for something else? Do they wish to do so? And what would we do without them, as they are the source of food production on which we are entirely dependent and on which—I am referring to huge western grain farms—the balance of payments of Canada and its capacity in international trade operations may depend?

There are about 300,000 farmers, 200,000 farm workers (including the farmers' wives) and 100,000 fishermen in this country. If we take into account all those who depend on them, we get almost 2.5 million people. There is no doubt that they have been, since the war, the poor relatives of an agricultural economy that became an industrial and urban economy.

They in turn will therefore benefit, through imaginative but simple measures, from the assistance already introduced last summer under various forms for the benefit of Canadians who fall within the categories most vulnerable to cost of living increases, that is the unemployed, the pensioners, families living on low or fixed incomes, with children under 18.

Much remains to be done, however, given the appropriate measures since, in spite of increases of 5 per cent in the employment rate and 7 per cent in the national growth rate, the rate of unemployment, although low, nonetheless reached 6 per cent according to Statistics Canada figures.

Still from the point of view of progressive elimination of disparities, I welcome those parts of the Speech from the Throne which deal with the priority status promised to consumers so that they may enjoy reasonable prices, particularly for food.

[*English*]

Regarding regional disparities, all that the federal government can do to improve railway passenger services in urban areas, suburban rapid transit, and to serve the more isolated Canadian communities will be welcomed by Canadians. We hope, also, that fairer proposals concerning rates for the transportation of goods, which was discussed at the western economic opportunities conference, will be forthcoming. In the same vein, small businessmen follow with great hope the setting up of the new federal business development bank and are anxious to see it in full operation as soon as possible.

In conclusion, I say quite bluntly on the question of erasing inequalities that it is about time our country established a federal human rights commission, after at least six years of argument among departments as to who is the most discriminated against, Indians, workers, women or the ethnic minorities, and through which department the commission would report. It is important that such a commission should have jurisdiction in the Yukon and the Northwest Territories and should be directly responsible to parliament and to the territorial councils. Strong powers of investigation and of prosecution, in addition to the usual powers of such commissions, are essential to give it real value.

• (1730)

As recommended in the report of the Royal Commission on the Status of Women in Canada—I think it is recommendation No. 165—I strongly share the opinion that past experiences give all indications that for a limited period of time, say seven to ten years, a distinct division dealing specifically with protection of women's rights is needed. For those hon. colleagues who do not understand what is **sous-entendu** here, we can have a special multiparty caucus. Unfortunately, the recent report of progress in 1973 on the status of women, published by the Minister of Labour (Mr. Munro), is completely silent on this very important point. As to the statement that Crown corporations will have to undertake positive action to encourage the assignment and advancement of women, there is no need to stress that the CBC will become for women the very symbol of this effort at simple justice, which should also affect many women employees of the CN and of Air Canada, to single out only the biggest and maybe the most traditional of these public employers.

[*Translation*]

My time is nearly up, Mr. Speaker, and I have spoken on the first part only of the Speech from the Throne—the phasing out of disparities in this country. There will be other occasions to discuss modern national achievements which meet the aspirations of Canadians and of which the Canadian oil industry is the symbol, as was so well pointed out by the hon. member for Fort William (Mr. McRae).

Finally, we no longer have to feel guilty about being "a natural resources country". However, the fact is that we are a modern, industrialized country and yet underdeveloped, in the hands of international cartels that are now discreetly being called "multinationals". It is suggested that there would be only 15 governments in the world—Canada not included—whose budget would be as big as the budget of those cartels. We started at different paces, depending on the areas of this country, to realize that massive and non-diversified foreign investment not regulated by a "code of ethics" is nearly the opposite of foreign aid.

Still, I would not want to conclude, Mr. Speaker, without endorsing the concern of Canadians for less developped or poorer countries, as suggested by the mover and the recorder of the Address in reply to the Speech from the Throne, my colleagues for Spadina and Sherbrooke (Messrs. Stollery and Pelletier).

I think Canadians want "national" achievements but they are also conscious of others and, above all, they want to contribute with them to the development of that "new economic order" wished for in Washington by the Secretary of State for External Affairs (Mr. Sharp).

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I very much appreciated the speech of our able and charming colleague from Saint-Michel (Miss Bégin) and I would like to have the time to follow through with the arguments and ideas so clearly expressed in her speech. Unfortunately, time is of the essence and I know that she will realize the need for me to make my own

speech, but I want to tell her right now how much I appreciated her remarks when she spoke of the will to build a country more united and aware of the requirements of ethnic, female or other minorities in our country, Canada.

[*English*]

Canadians in all walks of life have long been quick to struggle for their interests as producers. As individuals and organized bodies we have fought to get what we consider our share of the country's increasing wealth. This continuing competitive struggle is one of the most time-consuming activities of our lives, and one of the most divisive so far as people are concerned. Only now are we discovering the importance attached to the fact that we are also consumers—not some of us, but all. The Stevens price spreads inquiry was probably our first parliamentary recognition of this discovery. Then, more than 30 years later, we had the 1967 inquiry into prices, mainly prices of food, as a result of which the Department of Consumer and Corporate Affairs was established.

We have a number of House of Commons standing committees to handle the special needs of various sectors of our economy, many of them being directly concerned with production. But it is interesting to note that up to this point all our efforts to get a consumer affairs committee have failed, in spite of the fact that all of the opposition parties and all the members of the food prices committee, even those on the government side of the House, strongly favour such a committee. I trust that we shall not go too far into this session of parliament before we get it.

The rising tide of indignation and despair from the consuming public regarding the spiralling cost of living is at last convincing the government that it is time to talk about the cost of living in the Speech from the Throne. In fact, the government has admitted by this throne speech that the issues of oil and food are the two most crucial ones so far as the consumer is concerned. I am not going to talk about the cost of oil or about the supply of oil; a number of my colleagues will be doing that. I am going to concentrate on the need for action with respect to the supply of food and the price of food. I want to say right now that no amount of talk in the throne speech will convince the consumers that they are going to be looked after unless the government very shortly introduces measures to do so.

In the Speech from the Throne we have this kind of talk:

> The producer must be ensured a fair income for his work . . .
>
> The consumer must be ensured a fair value from his dollar.

Those are fine words. In his speech on the address in reply, the Prime Minister (Mr. Trudeau) did a lot of tough talking. He said:

> We will not allow corporate profiteers and gougers to pile up unearned windfall profits at the expense of the people of Canada.

I suggest that no amount of tough talk is going to exorcise the demon of rising food prices in this country. We must have tougher measures than we have had to date to deal with food prices. Just this afternoon my colleague from Toronto-Lakeshore pointed out that the government, having had a look at the Food Prices Review Board's report which found that the Bakery Council's projected increase for bread prices was unjustified and recommended that it be kept down to between one and two cents a loaf, is still unwilling to act and to do anything about it. The government is still going to stall by having more evidence brought before the Food Prices Review Board.

● (1740)

In view of the fact that the Food Prices Review Board has made its final report and the evidence is now in, it seems to me that this government has to explain to the people why the Prime Minister comes out with such tough talk about not allowing corporate profiteers and gougers to pile up unearned windfall profits at the expense of the people of Canada. Why does he talk like that if he is afraid to keep the price of a loaf of bread down by 2 cents?

Some hon. Members: Hear, hear!

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, the consumer is not stupid. He or she may be a little slow to catch on, but they are learning fast and will be quick to notice the discrepancy. They will demand that the Prime Minister do more than talk a tough fight. It is time to fight where it is needed.

We in this party are glad to see that the government dealt with food in the Speech from the Throne. We are even more glad of all the measures this government has detailed to help the farmer increase the supply of food for this country and at the same time to gain a fair income for himself and his family. We are glad of those measures. Let nobody say that any of us is out to see that the consumer is allowed to profit at the expense of the farmer. But I speak as a consumer. Farmers and their families are also consumers of many things besides tractors, tractor fuel and farm supplies. They have to eat, just as city folk do. What is the use of the government just going far enough to protect the supply of food, to ensure a good supply of food and farm income, if it does not carry out the other part of what it says in the Speech from the Throne: the consumer must be assured of fair value for his dollar.

I have gone over the Speech from the Throne a number of times with a fine-tooth comb and can find nothing that will protect the consumer from being gouged and exploited along the links of the food chain which stand between the farm gate and the consumer. I find nothing whatsoever to protect the consumer in this regard. I do not think the consumer should be led astray on this point.

What is the point of ensuring that we get a continuously larger supply of food in this country, if at the same time the government is doing nothing to stop prices rising? The Prime Minister himself has indicated that prices are going to rise. The head of the Grocery Products Manufacturing Association says that prices will rise by 10 per cent in the coming year; the packagers are saying the same kind of thing, and so are the processors. What is the sense of taking measures to produce more food on the farm if nothing is done to protect the consumer from being gouged all the way from the farm gate to the table? What is the sense of taking measures to produce more food if nothing is being done to prevent that food being shipped to other countries in any amount simply because those who control it—I do not mean the primary producers—can get a higher price abroad than at home? I have the evidence from my own province to prove that.

In British Columbia, where canned and fresh salmon have been a primary source of protein, last year the two companies which dominate and control 85 per cent to 90 per cent of all west coast fishing shipped vast quantities of salmon mostly to Britain and Japan because they could get a higher price there. They created a shortage here and raised the price to the Canadian consumer. The price went up and up, and it recently went up again. Before anybody tells me that the companies had to do that, let me tell them that over a 39-week period ending June 17, B.C. Packers had a 25 per cent increase in sales and an increase in profits of 124 per cent. That is gouging at its best.

Mr. Cullen: What was the return on investment?

Mrs. MacInnis (Vancouver Kingsway): The government is doing nothing about that, and there was no forecast in the Speech from the Throne. I know the chairman of the Food Prices Review Board would have liked to see stronger measures in there and is wishing that he had them, but there is nothing there. There is nothing in the throne speech that deals with this sort of thing.

Mr. Cullen: Please make it the committee, not the board.

An hon. Member: He has not been elevated yet.

Mrs. MacInnis (Vancouver Kingsway): Letters are now coming in, and I have been shown about two dozen from one of the smaller Ontario cities where there is a good, steady payroll. They say things like this:

> Isn't there anything you can do to stop the increases in all prices? All companies and stores seem to have great profits when they give out their figures. The feeds are going up for animals, fertilizers also. This means the farmer can't afford to keep a farm, and with many of them going out of business we in a few years will have a lot less food. We have potatoes in the Valley and other areas, and when they go into our stores they charge the same that they charge for P.E.I. or N.B. potatoes. How can the prices be the same? I've spoken to some farmers and they say they don't get the difference, so where does it go? Milk went up from 22 cents a can to 26 cents. Sugar has gone up from $1.59 to $2.69 for ten pounds. These are just a few, and it's getting worse all the time.

Here is another letter from the same place:

> Sugar has gone up terribly, white beans, spaghetti and eggs. Good heavens, I am sure all these don't depend on anchovies off the Peruvian coast.

I am sure, too, and I think it is high time we did something about this. The Prime Minister can talk tough, but I would mention again the particular situation where after careful investigation the Food Prices Review Board said that bakeries in Canada are not justified in wanting to raise the price of a loaf of bread to three cents or four cents and that their direct cost increases are, instead, in the neighbourhood of one cent to 1¾ cents per 24-ounce loaf. How about getting in there, Mr. Prime Minister, if you want to stop the gougers and corporate profiteers from piling up unearned windfall profits?

Turning to the matter of subsidies, I find that we will be paying about $129.5 million in subsidies for manufactured milk products this year. In spite of that, we are now told that the price of cheese will rise by ten cents per pound. Who is getting the difference between what the producer of milk is paid and what the consumer is charged? Unfortunately, the Kraft corporation does not publish profit figures. That fact is something at which the Prime Minister could shoot. I think the profit figures of Kraft would be tremendously interesting to a lot of consumers across the country.

Then what about salmon? Is the government considering export controls or a two-price system for salmon? I know that in spite of the profits the companies have made, the fishermen this year are going to get about 52 cents per pound for their catch. This has been the situation while the consumer has had to pay $2.49 a pound for whole salmon in the stores. I wish the Prime Minister were here so that he could hear more about the complaints of consumers.

● (1750)

Let us consider sugar. As my leader said the other day, the three sugar companies making up the sugar cartel, which were tried and fined in the courts ten years ago, are now being tried again under the Combines Investigation Act. How about imposing fines suitable for criminals, or how about jail terms as a means of bringing home to some of these criminals what they are doing to the people of the country when they raise prices? Such action, I think, would be excellent. These companies have taken $125 million from the pockets of consumers in the last decade. If you took that much in a robbery or hold-up, you would probably go to jail for 100 years and everyone would hope that you would live that long and serve the sentence. Something must be done.

Mr. Peters: What is more, the money would probably have to be returned.

Mrs. MacInnis (Vancouver Kingsway): As my colleague says, the money would probably have to be returned. In the face of this, it is no good saying that a crop failure in Patagonia, Timbuktu or Outer Mongolia caused the shortage. We, in this country, produce some of all the products necessary for a good, balanced, nutritious diet. Agnes Higgins of the Montreal diet dispensary says that if we were willing to spend $100 on good pre-natal nutrition for pregnant women, we might later save the community $200,000 in the cost of caring for those who are being damaged now because of bad pre-natal diet.

Why does the government not go after that program instead of giving us fine sounding speeches from the throne, and Mrs. Plumptre as the head of a Food Prices Review Board without teeth or the power to act? Do not forget who voted against the idea of a selective Food Prices Review Board. Do not forget that the Conservatives opposed the idea. They made it impossible for us to get a selective Food Prices Review Board, something which the consumer must have. It is clear that consumers have rejected their stand, just as it is clear that people in Britain rejected the Tory government, there very largely because the cost of living had gone so high.

We reject the stupid idea, put forward by the opposition, of sitting down for 90 days to contemplate our navels, and then, hopefully coming up with the answers to the problems of inflation. We have the food in this country. We reject the system proposed by the official opposition, which boils down to restraint for the poor and opportunity for the affluent.

Mr. Deputy Speaker: Order, please. I think the hon. member for Saint-Michel (Miss Bégin) is rising on a point of order.

[*Translation*]

Miss Bégin: Mr. Speaker, would the hon. member allow me to put a question?

[*English*]

Mrs. MacInnis (Vancouver Kingsway): Perhaps the hon. member can ask her question at the end of my speech, because I do not have very much time.

Miss Bégin: Mr. Speaker, I merely want to know where we grow sugar and how much we grow in Canada.

Mr. Peters: We grow quite a bit.

Mrs. MacInnis (Vancouver Kingsway): Please do not hold me up. That brings me to something I forgot to mention in connection with sugar. I think this government should take the initiative in renewing the international sugar agreement which lapsed in 1971. We need international planning in the field of sugar so that the consumers of this country will be protected.

Mr. Prud'homme: Has the hon. member forgotten anything else?

Mrs. MacInnis (Vancouver Kingsway): Please do not remind me of anything else; I do not have very much time. First, we need a Food Prices Review Board with power to act and power to apply selective controls on the basis of nutritional need. That means a subsidy where necessary and justified. I am thinking of bread and milk. If such a policy is to be adopted, it means there would need to be a two-price system for certain commodities, such as there is in the case of wheat. There would need to be export controls for other things, such as have been imposed with regard to oil. Do not say this cannot be done. It has been done. It will mean rollbacks in price. The price of bread should be rolled back without further fuss, in view of what the minister and the Food Prices Review Board have found.

Second, the government ought to pass legislation giving the Food Prices Review Board power to compel the books of the big food chains and other parts of the food distribution system to be opened. The board should have power to lay bare the industrial and financial connections of the food chains. Do not tell me we will not find anything, when George Weston profits in 1973, over 1972, were up 86 per cent, when the profits of Canada Packers in a 39-week period were up 36 per cent, and when the profits of B.C. Packers for a 24-week period last year were up by 124 per cent. We will find something, without any doubt.

Third, we need court action where indicated. I am glad that at the request of the federal government the Alberta Supreme Court has prevented Canada Safeway Limited, which is completely under American ownership and control, from acquiring many more stores in Calgary in the next few years. The court has limited very rigorously the number of stores that chain will be able to build and the restrictions it can impose on competitors. I am glad this has been done. We need more initiatives like that.

Fourth, the government should consider imposing an excess profits tax on any sector of the food industry where it is found, after investigation, that such a tax is warranted. Fifth, as I have mentioned before, the government should take the initiative in bringing about international agreements. I am thinking not only of sugar. We need an international grains agreement again so that the consumer as well as the farmer can benefit.

Sixth, we need to consider alternative approaches to merchandising. We need to encourage the formation of co-operatives as one means of standing up to the big giants and other merchandisers. We need to do a lot of these things, Mr. Speaker. Mistakes, no doubt big ones, will be made if we go along this way. But we need to do something along these lines. We can make only one unforgivable mistake, the mistake of not trying.

These problems will not go away. Consumers cannot be fobbed off with talk. I wish the government would realize that consumers know the Food Prices Review Board as presently constituted is as a weak reed in a violent storm. That is all it is. They also know that the Food Prices Review Board is a toothless wonder and that it is not effective in the field of the cost of living. My remarks are directed primarily to the subject of food prices because high food prices are the biggest single problem facing Canadian consumers at this time. Why do I mention food? You must begin somewhere, and all of us must eat in order to survive. That is why I have begun by dealing with food.

In conclusion, let me say that although the Prime Minister in the Speech from the Throne outlined all sorts of beautiful things and talked in a tough voice about protecting the consumer, my party is going to have its work cut out this session to make the Prime Minister and the government come through with regard to the programs I have outlined, just as we had our work cut out in the previous session to make them come through with pensions and other things which the people of this country needed. We are going to do it. The matter of food prices is an unfinished piece of business so far as I am concerned, and I warn the government that we are going to do our utmost to make them come through and fulfil their promises to protect both the producer and the consumer in the field of food.

Mr. Deputy Speaker: Order, please. The Chair will see the hon. member for Okanagan Boundary (Mr. Whittaker) when the House resumes at eight o'clock. It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, it gives me great pleasure this evening to enter into the debate on the Speech from the Throne, especially being the first of the official opposition from the great western province of British Columbia to do so.

The constituency of Okanagan Boundary in beautiful British Columbia is so named because it takes in a large part of the sunny Okanagan Valley and extends some 150 miles along the American border, hence the name Boundary. The sunny Okanagan Valley and, indeed, most of the area in the riding, is semi-desert with a limited rainfall per year. Because we enjoy the best climate in Canada, it has over the years been discovered by many Canadians as a wonderful place to live. We have many retired people, people who have pioneered this great country of ours. Living in our valley, these people have come from all parts of Canada; especially from the three prairie provinces.

The very lifeblood of this area is, of course, water. The valley floors are studded with lakes and flowing rivers. Okanagan Lake, 80 miles long and some two miles wide, is the main one, but there are others, all of which are fed from the snowfall and the rains of the surrounding mountains. Most lakes in the mountains are dammed and used for irrigation; they also abound with fish. Some 50 good fishing lakes within 25 miles of the valley floor can also be found in the area.

Inflation hits the retired people very hard. They see the value of their dollar going down and they are on fixed income without any, or very little chance of insulating themselves against this. These people who have worked hard to build Canada, and in many cases pioneered Canada, are quick to see through the indifferent attitude of this federal government. They get very little break from income tax which they feel is being used to some extent to create a society of non-workers, something they were not able to enjoy when they were younger. They are concerned that Canada should not be allowed to deteriorate into a country of only hewers of wood and drawers of water.

The most noticeable thing about the Speech from the Throne is not what is in it, but its deficiencies. There is no provision for an immediate anti-inflationary program. There is no mention of curtailment of government spending, no mention of reduction in personal income tax, no mention of reduction or elimination of federal sales tax on all clothing and building supplies, no mention or provision for a full public inquiry into the Unemployment Insurance Commission and its distribution of unemployment benefits.

In the Speech from the Throne we do not see anything about a new industrial strategy for Canada. There is nothing in it about a resource policy, and even less about solving the most important problem we have in Canada today. As the member for Don Valley (Mr. Gillies) so ably pointed out when he referred to inflation, this is a major issue, as well as the increased cost of living. There is no way we can solve any of our other problems until we get inflation under control. I do not think we can do anything about the housing problem in Canada until we have dealt with inflation. I also do not believe we can solve the problem of regional disparities of income until inflation is lowered. Does anyone really believe we can solve the problem of redistribution of wealth before the problem of inflation is solved or before the aspect of poverty level is alleviated?

The critical thing is to come to grips with the problem of Canada's inflation now. I am afraid if we do not do so, and it keeps on at the rate of 10 per cent, our society and economic system will not survive. Imagine what is happening to the life savings of people who are faced with the erosion of the dollar at 10 per cent per year.

[Mr. Whittaker.]

● (2010)

What are the people of Canada to think of a government that says inflation cannot be contained, that does not provide measures which appear to be useful in the short term and only proposes ad hoc or band-aid measures which are a piecemeal approach? What are the people of Canada to think of a government that is not prepared to deal appropriately with all these problems?

A great many people in my riding believe that much of the inflation is caused by government spending. It is ironic that the government of the day, after the Speech from the Throne, should bring in the estimates for next year's government expenditures which are up a whopping 20 per cent over the past year. To increase government spending that much in an inflationary period makes no sense at all. We have had in this country during the past few years a fantastic expansionary domestic monetary policy. The increase we have had in the money supply guarantees that we are going to have increased inflation. As long as the government can, and does, print money and continues to spend in such an extravagant manner, we are bound to have inflation. Wasteful spending in government must be eliminated in order to deal effectively with the chaotic situation facing us today.

Many of us have been asking why we are trading for trade's sake. Is this really what we should be doing in this changing world? The government says it will try to solve the inflation problem in Canada over the long run by some type of supply policies. If the Minister of Finance (Mr. Turner) is really concerned with supply problems, why does he not do something about our supply problems now? Why does he not slow down the export of some of our raw materials, or have them processed in our own country? Why do we not have a supply policy right now?

Of great concern to the people in my riding is the question of the environment. We have in the valley floors a series of lakes and rivers which are of good quality now but which must be protected for future generations to enjoy as we have in the past. I am disappointed that the government is not taking more notice of and becoming more involved in the preservation of our delicate environment. There was very little mention of this in the Speech from the Throne. It is vital to revise the sewage assistance program to give assistance to the upgrading of existing sewage plants and, even beyond this, to give every assistance to help remove sewage outfall from our lakes and rivers. Programs such as these are, in my opinion, much better than giveaway programs that help teach people how not to work and which remove any incentive to work.

There are many other proposals in the Speech from the Throne that people in my riding have been concerned about. Many are unhappy with the performance of the Unemployment Insurance Commission, and additional ad hoc and band-aid measures will not satisfy them. The majority of people who pay into UIC and never intend to collect from it, those people who hear stories and rumours, also see what they believe to be abuses going on and they

will not be satisfied with anything less than a full investigation into UIC and manpower.

It was encouraging to see so much of the Speech from the Throne devoted to agriculture. This has not happened in the past even though the leaders in the fruit and vegetable industry have over the years been predicting trouble. The former cheap food policy of the Liberal government, which relied on cheap food from other parts of the world, was headed for disaster. The prediction made at the time, that the beef growers would eventually be in trouble, even came true. Look at the situation they are in today. We have heard many of these proposals for agriculture before; let us hope something will be done, and done soon, and that at best these proposals will be long-term. Production cannot be increased in many agricultural fields overnight; it takes time.

The most significant part for the producer is for him to be provided with a return adequate to encourage production and to restore his confidence in long-term market opportunities. These proposals will have to be incorporated into legislation, otherwise farmers will completely lose faith. For instance, even though this government talks about helping farmers to increase supply, last year when I made a plea for assistance to help the cattle ranchers in my riding buy feed to tide them over the winter because of the drastic loss of feed due to an unprecedented drought, all that the Minister of Agriculture (Mr. Whelan) did was pay half of the support given by the provincial government, a mere $15 per ton. Instead of putting up only $7.50. a ton, he should have matched their offer or made it $30 per ton. I am sure it would have helped the ranchers keep their basic herd intact, and this would have ensured an immediate upkeep of supply to be extended in future years.

The proposals in the Speech from the Throne with regard to transportation were particularly weak in light of what we in the opposition have been telling the government over the past year about the shortage of railway cars for many products in Canada. Producers of apples in the Okanagan Valley have lost a considerable number of sales of their product because of shortage of cars. Grain producers who have found themselves in similar circumstances are fortunate not to have lost their market or sales, although this is no excuse for keeping ships waiting in harbour to be loaded. This does not happen in the fruit industry. Producers from other areas, namely Washington state, can get cars to fill the vacuum. Thus we find an abundance of United States apples in eastern Canada while the B.C. producers have to divert good products to processors for less money. What a way to run a country!

It is well known that lumber mills have been continually plagued with car shortages to ship their products. The government must take a firm stand with the railways. This kind of performance cannot be tolerated if we are to continue to build Canada and retain a low unemployment rate.

No mention was made of legislation to ensure that veterans with overseas service will not be discriminated against when applying for their old age pension, as the minister promised. Because of this I have submitted a private member's bill which I hope this House will pass very quickly. It has been brought to my attention, and I believe rightly so, that retired armed service personnel were discriminated against when pensions were raised last year. I speak for those who have not reached the magical formula of 85, even though many of these people were forced to retire. Measures should certainly be taken to rectify this discrimination.

It is heartening to hear that the government intends to do something about equal rights for women. I firmly believe they should have the same rights as men. They should not have to form organizations to fight for those rights; their legitimate requests should have been granted. Here again, I am sure these women's organizations will not give up until they have obtained the status of equality which they seek. It is too bad they have had to go through the frustrating work and the efforts they have made in order to obtain these rights.

● (2020)

I would be remiss if I did not bring to this House the feeling of many of my constituents regarding the lack of CBC outlets and adequate television coverage. Dealing first with television, unfortunately many areas in my constituency have at best borderline television. Although we live on or very close to the United States border, we just cannot get good Canadian television coverage. We are among the 5 per cent class who in Canada have poor or no reception, and although the minister responsible for the CBC keeps saying that money is to be spent to give us good television service, very little is done in my riding in this regard. These complaints are justified, and I hope we can get some action soon, rather than just promises.

Although there are three excellent private radio stations in the Okanagan Valley, we have been asking for years for a CBC outlet because we feel we should not be denied a public outlet when almost all of the rest of Canada has one. After all, we are helping to pay for CBC. Here again, although there has been much talk, correspondence and many petitions, we are only told to be patient and we will get extended coverage in time. This has been the case to the point that it is becoming increasingly frustrating. Many people who have moved to my riding to retire have been used to listening to CBC. We have a large population that wants such an outlet, and their request should not be denied.

One of the complaints I receive most frequently in my riding has to do with mail delivery service. I have been told by businessmen, and they have submitted proof, that since the assured mail program has come into existence the time it takes to receive a letter from Vancouver in the Okanagan has perhaps doubled. Every time I go on the open line program, and almost every day when I open my mail, I receive complaints about our postal services. I believe these complaints are justified; there appears in many instances to be an almost chaotic situation. I urge the Postmaster General (Mr. Ouellet) to do whatever he can to solve this problem. There is no competition in respect of mail services, and the people are very aware of the situation; they know the service is operated by the federal government and is subsidized, and they therefore feel they should be able to obtain the services they deserve.

In conclusion, I urge this Liberal government to take immediate action to control the problems of inflation facing this country. I hope it will introduce shortly some concrete and positive measures in this regard.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, at the beginning of the second session of the 29th Parliament I wish to congratulate His Excellency the Governor General and Mrs. Léger on their appointment. On behalf of my Laval electors, I offer them my best wishes.

The government could not have found a better counsellor than His Excellency to assume the heavy responsibility of Governor General, which shows a desire to keep on working for the Canadian people even after having served during three decades in official duties outside as well as inside this country.

I also wish to congratulate the mover and the seconder of the Address in reply to the Speech from the Throne, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier). Those two members have broadened the scope of debates by reminding us of the principles of the Liberal philosophy, by making us aware of human problems at the world level, by appealing to the sound reasoning of privileged people who benefited from the industrial progress through the political structure within which every citizen was able to develop himself in the social as well as the economical field.

● (2030)

We cannot remain indifferent to the cries for help of the underprivileged, unfortunate or oppressed people or of children disabled in their body or mind. On behalf of all the Canadian people, the government has played a part during the last twenty years in the case of those victims of an unjust fate by steadily increasing credits to third-world countries through CIDA whose budget was raised by 15 per cent this year and which now stands at $565 million.

It is not the responsibility of the Canadian Parliament to provide everyone of us with means of subsistence, however it must give all of us an opportunity for self-fulfilment if we are willing to contribute to our economic development. Ideally one should not care about what he can get from his country, but rather what he can do for it. If we consider the excellent record of the Liberal government during the first session, we realize that 50 bills were passed, all aimed at improving the quality of life of the Canadian people, while ensuring them a better future. When considering that 1973 record of achievements with regard to welfare, housing and farming, consumers and business people, we can see that the economic growth of Canada since 1968 has greatly increased, considering that the gross national product has gone up by 49 per cent during the past five years from $71,388,000 to $118,678,000 and that it has increased by 10 per cent in 1973. This is what we have achieved together and we have every right to be proud citizens of a young and vast country most richly endowed with natural resources.

I was reading recently the editorial in the January 27 issue of the weekly magazine *Express*. The editor, Mrs. Françoise Giroud, started her editorial as follows:

[Mr. Whittaker.]

Power in France is breaking up. In the United States, it is disintegrating. In Germany, it is weakening. In Great Britain, it is giving out.

and tonight we heard that the Conservative Party had handed its resignation to the Queen. It is obvious that this party has also failed.

For various reasons, but reasons which unfortunately coïncide in time, the leaders of the western, industrialized, or developed world, or whatever you want to call it, the leaders of the world to which we belong, seem to have exhausted their resources.

These are comments that help us to better appreciate our situation and want to proclaim throughout the world our pride as Canadians and congratulate the right hon. prime minister (Mr. Trudeau), who is in charge of our country and has not exhausted his resources. When we hear some of the speeches made by members of the official opposition, we may well wonder if we are sitting in the same House and if we belong to the same country.

Evidence of pride which can be heard throughout the country, in the United States and even in the European Economic Community countries are the same. Everybody looks toward Canada. The only group which disagrees and which acts as a scaremonger, is the one that takes a gloomy view of things, like the frog at the bottom of the well. Because it sees a cloud through the well aperture, it thinks that the whole sky is cloudy and that a storm is coming up. Its expectations are storms and bad situations. This prejudicial attitude on the part of some hon. members opposite do not reflect the objectivity that any right-minded politician willing to work for the good of the country should have.

Last Saturday, Mr. Speaker, during the program "Les affaires de l'État", I was listening to the hon. member for St-Hyacinthe (Mr. Wagner) who spoke about social justice. He said that the Speech from the Throne did not mention at all this social justice. He stated that we completely ignored regional disparities. Well, I would suggest to the hon. member for St-Hyacinthe that he should first have the courage to read the Speech from the Throne and second the earnestness to explain it as it should be.

We can hear many compliments on the part of the hon. member for Saint-Hyacinthe. I still remember when he was a judge. I wonder what kind of social justice we would have when one considers his performance, in Quebec city, when he bought, during a historical event in Quebec, an "armoured" truck, at a cost at that time, I think, of about $48,000, and which was sold later at an auction sale for $2,000, with about 200 miles on the speedometer! I do not think that this is the kind of social justice that the Canadian people want to see in this country. Still concerning the performance of the Liberal government in the field of job creating, we have once again set a record compared to other industrial countries. Since 1968, as many as 1,222,000 new jobs have been created. Again this year, the contents of the Speech from the Throne shows to what extent the government wants to tackle economic problems. We see the government laying down a strategy designed to tackle not only the effects of inflation, including the rise of food prices, but also the causes of inflation through some vigorous measures in the field of agriculture and also through a national energy policy.

The world-wide scarcity of food and the oil crisis are the main causes of inflation, and we are aware of it. It is difficult for us to contain inflation due to external factors, but we will make every effort to alleviate its effects through measures likely to control that inflationary spiral.

To approach the problem in a simplistic way, as suggested by the opposition, would fail, judging by the results achieved in other countries. We saw what has just happened in England because of the measures advocated by the Conservative party. We saw the results of such a policy. As the hon. member for Bonaventures-Îles de la Madeleine (Mr. Béchard) pointed out, the same situation prevails in the United States.

● (2040)

We already know the results of those formulas advocated by Progressive Conservatives with respect to price controls.

The Leader of the Official Opposition (Mr. Stanfield) keeps on playing the same record across the country, that consumer prices must be frozen for 90 days, but without telling us for that matter what will happen on the 91st day.

It is also easy to say that farm production must be increased. Farm production is increased, and everything is fine. Food prices will come down significantly. That is another simplistic solution advocated by men who think that as in other industries, in the field of agriculture one can turn on the valve and shut it off when one feels like it. Agriculture is not an industry like the shoe industry. There are production and follow cycles. The hon. member who spoke before me, the hon. member for Okanagan Boundary (Mr. Whittaker) mentioned earlier that with beef production there is a cycle of at least three and a half years.

So one cannot put foward simplistic solutions like turning on the valve and shutting it off as needed. We should rather ask ourselves why farm producers neglected their production. Our governments forgot at times that the improved standard of living brought about by technological development was not shared by our farmers to the same extent as in other areas of industry. Farming must be given all the consideration it deserves and farmers must receive a fair retribution for their work. To that end, aggressive measures for the marketing of farm products are needed. We realize today that the agrifood industry is an important area of the Canadian economy.

I congratulate the Minister of Agriculture (Mr. Whelan) on the agricultural impact in the speech from the throne. A food policy designed to increase the production of food products could make a fine headline in any daily paper. But if we go over all the agricultural measures the House will be asked to consider concerning grains and farm credit, guaranteed loans designed to update farm equipment, with regard to the transportation and marketing of farm products, the construction of cold storage facilities and concerning amendments to the legislation on the import and export of farm products, we realize the importance of that situation.

Our agricultural program is very clear in the speech from the throne, and I quote:

It is clear that this country's production must be increased. The Government is developing a policy on food based on the following objectives:

—an adequate and dependable supply of quality food for a growing population in Canada enjoying a rising standard of living;

—reasonable food prices:

—for the consumer, in not requiring an undue proportion of income for Canadians to secure a sufficient and balanced diet;

That is the objective of the Agricultural Products Marketing Act. The duty of the National Farm Products Marketing Council is to try to ensure farm producers a reasonable income to keep the investments in their industry and to avoid those sharp changes in price which the consumers are facing today.

Mr. Speaker, 18 months have gone by before the passing of that legislation because the Progressive Conservative party was then filibustering.

In the Speech from the Throne, we can read and I quote:

—for the producer, in providing a return adequate to encourage production of food items which can be economically and efficiently produced in Canada;

—a continuing supply and—

There is the importance that was given to the agricultural situation and when we listen to the speeches of hon. members opposite we see that they have not even had either the courage or the decency to be objective concerning the farming industry.

Agriculture is engaged in an accelerated modernization process and it has reached a stage where old prejudices are out of place as well as the indifference or the ignorance of city dwellers who sometimes worry about the appropriations granted to the department of Agriculture.

But because farmers were not making any profits on their investments in this field, they abandoned the farm. Quebec statistics prove it since in the last four years, 10,000 producers a year quit farming because they could no longer live off the farm.

Therefore, the advent of industrial farming, characterized by large size farms and the integration of a real farm production plant constitutes an inheritance that the new generation of farmers will accept with all the more enthusiasm that it will feel better understood by the other classes of society.

It must never be forgotten that agriculture is an important area of social and economic life; it is a dynamic factor which contributes to development and provides resources for it is at the same time producer and consumer.

In the area of urban affairs, as a representative of a riding in the second largest city in Quebec, I would not forgive myself for not speaking of the part of the Speech from the Throne dealing with urban policy and I quote:

... the Government is playing a vital role to achieve a more balanced pattern of urban growth and to increase the quality of life in our cities in co-operation with the provinces and municipalities. Improved means of public transportation are indispensable to the achievement of these urban goals ...

Public transportation is a financial burden for all municipalities which cannot balance their budget, and I refer here to the Ottawa-Hull Regional Commission, the Laval Transportation Commission, and the Montreal Interurban Commission. Deficits pile up annually under

the public transportation item, because transportation costs are not covered by the user.

The Speech from the Throne proposes measures and I quote:

> ... to establish a National Urban Transportation Development Corporation to coordinate and market the development of required new technology in this field.

This consideration of public transportation is a policy which should please all the municipalities in the throes of this problem.

I wish to congratulate the architect of the Speech from the Throne, the right hon. prime minister (Mr. Trudeau), all the members of the Cabinet and more specifically the Minister of Agriculture (Mr. Whelan) and the Minister of Energy, Mines and Resources (Mr. Macdonald). I am proud to be a member of the liberal caucus which will have the responsibility of explaining the content of the Speech from the Throne to the people and of participating, in the various committees, in giving body through legislation to the basic principles set down for the coming session.

● (2050)

In closing, may I add that the statesman works for future generations but the politician, thirsting for power, works solely for the time at hand, applying band-aid solutions and short term solutions, aiming at a short-term objective, that of winning elections.

We are here, in this august chamber, to develop the human potential of all Canadians, to discover and exploit all the possibilities of our natural resources in the field of energy, mines and agriculture. It is in that perspective, Mr. Speaker, that I shall continue to work with my colleagues of the liberal caucus, in this House, in the various committees, and thus serve, and if need be, fight for the interests of my country.

Mr. Gérard Laprise (Abitibi): First of all, Mr. Speaker, I wish to congratulate our new Governor General and Mrs. Léger on their appointment.

A few months ago, Mr. Speaker, as I was driving around in my car, someone over the radio was inviting the general public to telephone the station to give their opinion and make suggestions on a replacement of the Governor General of Canada. A number of persons having made some excellent suggestions, I realized that there were in Canada—and especially in French Canada, for it was the turn of a French Canadian to be appointed—that there were in French Canada quite a large number of prominent people worthy of an appointment to this position. He who had to make the choice which has now been made public and consider several highly competent people, appointed a man who, for the next five years, will carry out these difficult and very important duties for our country.

I should also like to congratulate the hon. members for Spadina and Sherbrooke (Messrs. Stollery and Pelletier), the mover and seconder of the Address in reply to the Speech from the Throne who carried out their assignments with much diplomacy. This does not mean, Mr. Speaker, that everything they said must be accepted, but because they carried out their assignments well, I feel they deserve congratulations.

[Mr. Roy (Laval).]

Over the past few days, we have heard various comments on the achievements of this government, especially on the first year of its new administration. As usual, the Address in reply to the Speech from the Throne has caused much interest in every quarters. Some, as were expected, stated that they were quite satisfied with the gist of the Speech from the Throne, while others would have preferred the problems they, as elected representatives of the people, have to face to be considered from a different point of view.

Just a few moments ago, I was listening to the previous speaker, the hon. member for Laval (Mr. Roy), who has spoken highly of the content of the Speech from the Throne. At a certain point, he dealt with the increase of the gross national product. In my opinion, the hon. member for Laval has forgotten to tell us about some things; it might be an unintentional omission, but I think this should be rectified.

He said that the gross national product, if I recall the exact figures he quoted, has increased from $71 billion in 1968 to $118 billion in 1973. Those figures are certainly right and it is not on that I do not agree with him. But the hon. member for Laval has failed to mention that this increase took place at the market's price level.

This does not mean that there has been a real increase in the gross national product. I have here the commercial newsletter published annually by the Canadian Imperial Bank of Commerce, in which a distinction is made between the GNP in current dollars and the GNP in constant dollars of 1961. And there is quite a difference.

The table I have covers the period from 1963 to 1972. In 1963, the current dollar GNP was $45,978 million against $103,407 million in 1972. But it is quite different if we use the constant dollars of 1961. In 1963, the constant dollar GNP was $44,531 million instead of $45,978 million. In 1972, it reached $71,722 million in constant dollars instead of $103,407 million in current dollars. There is quit a difference—$31,685 million.

The present inflation taken into account, of course, the gross national product is rising at a fairly rapid rate, but if we consider the real gross national product, in terms of tangible or consumer goods, things are quite different.

The same distinction could be made regarding, for example, the gross national product per capita. Once again, we obtain the same difference in dollars; at 1963 market prices, that is $2,429 per capita, but in 1961 constant dollars, the figure is $2,352 per capita. The 1972 GNP at market prices was $4,737 per capita, while in 1961 constant dollars, it was $3,285 per capita or $1,452 less.

Mr. Speaker, it is important to establish this difference and see what is the real growth of the GNP in terms of tangible goods available to the Canadian people. But because prices have been rising year after year, inflation is somehow gypping individuals out of part of their revenue, in reducing their purchasing power and denying them retribution for their labour.

Mr. Speaker, I thought it necessary to clarify this point to make this distinction clear to all those who are listening to me and those who will read the debate concerning the Address on reply to the Speech from the Throne.

We have heard several proposals which have been honestly suggested to deal with the problems which worry Canadians. They get impatient and ask for increasingly faster action to improve the unfortunate situation which they are now facing.

The population is worried about the hesitation and false steps of the government. The right hon. Prime Minister (Mr. Trudeau) is going to succeed in standardizing unsatisfaction throughout Canada. Since last fall we witnessed the biggest fraud of modern times as far as our energy supplies are concerned, particularly in the oil area. Like other governments depending on oil trusts, the Canadian government tried to create a climate of panic in order to get higher oil product prices readily accepted. He know perfectly well that these increases in oil prices would considerably add to the price rise of all consumer goods but he knew too that all increases in consumer product costs and salaries also boost government revenues through higher indirect income and sales taxes. We just have to study the revenues of the three government levels to see that in the last ten years, their revenues have almost trebled. As a matter of fact, their total revenues jumped from $12,491,000 in 1962 to $39,179,000 in 1972. The rise in the price index is not due only to industry or trade, but to a large extent to the craving of governments for money and the consumers are certainly the losers.

It is normal for any citizen to seek to increase his income and thus improve his standard of living but inflation erodes his purchasing power and quite often the individual becomes frustrated, loses all initiative or becomes impressed by the violence of his environment and loses all confidence in the capitalist system. For example, we have only to look at the figures still provided in this commercial letter I mentioned a while ago to realize that if we take the 1961 dollar as a basis, this dollar was worth only 97.1 cents in 1963 and only 68.2 cents in 1973. That is to say, Mr. Speaker, that the Canadian manual labourer, the small storekeeper, the small businessman, as well as the individual stuck with a fixed income as are our pensioners, for example, those who have retired or who must live on public welfare are penalized by this shrinking purchasing power. Even if they are occasionally granted an increase in salary or in pension, their lower purchasing power does away with what they hoped would improve their situation.

The same thing goes, Mr. Speaker, for the individual who has the opportunity or the advantage of saving money. Because of this increase in prices, and this reduction in the purchasing power, the receipt on whatever savings may have been accumulated are cancelled and it becomes futile to think of saving money for the days when such savings may be necessary.

Mr. Speaker, when we examine the pattern of our administrative system in the last decade, we soon realize that the capitalist system is sick and seriously so. In the belief that the capitalist system is superior to communism or any form of socialism, Social Crediters persist in offering economic and social measures to remedy the weaknesses of the system because weaknesses there are. The government has long since given up before the increasingly powerful monopolies which have too often dictated laws which gives it even more power and ascendancy over the life of the citizens of our country. The government is not the people's servant any more, it is now at the service of the mighty and does not conceal it. Can the capitalist system ensure a sufficient production and distribution of consumer goods to guarantee all Canadians a standard of living high enough to provide for themselves and their families the goods which are necessary to meet their needs and live properly? The elements of an acceptable standard of living are essentially the following: a daily nutrition which is sufficient to replace the energy spent to live and to work, enough clothes to enable body cleanliness and to protect the individual against bad weather, a house which gives a healty and hygienic shelter, sanitary facilities and medical care protecting the individual against illness and its consequences.

● (2100)

Two others can be added to these vital needs: protection against theft or violence, against the loss of the possibility to work, against poverty coming from illness or old age and the means enabling each man, woman or child to develop his or her talents and skills to the maximum.

These are, Mr. Speaker, the main elements necessary in order to ensure Canadians a decent standard of living. I know of the immense natural resources we have in Canada, and I also know of the will and the abilities of Canadians to work and to produce goods and services in sufficient quantities to ensure everyone a decent standard of living. We do not understand why so many families and people face financial difficulties because the cost of living exceeds all expectations.

In order to calm the anger of some categories of people who felt deprived of their incomes or their assets, because of the lower purchasing power, the government agreed to raise old age pensions and family allowances. Up to now, however, they forgot to take action with the provinces in order to improve the condition of disabled and blind people we find in all our communities and who also, and maybe more than anybody else, suffer from the impact of inflation. This is why the government, together with the provinces, should have as a priority to establish a sufficiently high level of assistance to allow these persons, who are underprivileged, to enjoy an acceptable way of living.

Unfortunately, we see that for each increase in salary or welfare assistance, inflation carries away the hopes we had for a better standard of living for ourselves and our families. The wife receives more family allowances, but the husband has to pay more income taxes. There has also been an increase in family allowances for those on welfare, but their welfare cheque has been reduced accordingly by the province of Quebec, my province. The same has happened to the elderly who are living in senior citizens homes. One is proud to give something with the right hand, but takes it back with the left one. The left hand knows what the right hand has given, and takes back what has been given.

Mr. Speaker, as soon as possible during this session, the government should take the necessary steps to lower the age of entitlement to old age security pension. As a result of the various transfers brought about by technology in the field of employment, the individual who loses his job

at a certain age finds it hard to find another one before reaching retirement age which is now set at 65. Sixty years of age should be recognized as the age of entitlement to old age security pension and in all fairness, we should also consider paying that pension to the spouse as soon as either one reaches retirement age. I have already raised the question in this House. A motion to that effect standing in my name has appeared on the Order Paper and I expect to have the chance of dealing with it more fully during this session and make my point.

I would like to draw your attention to another matter. The problem of family housing should be solved immediately. We note that there is a decreasing number of available housing units and increasing the number of housing starts is considered but it is to be expected in the first instance that the builder will find it hard to obtain within a reasonable delay some of the construction materials and deliver his units without undue delay; otherwise he may have to bear heavier financing costs. The future home owners on the other hand will be faced with higher prices when buying their houses as well as ever increasing interest rates. A great number of Canadians and their families will find it impossible to buy houses and will have to go on living in premises belonging to other people.

The sales tax on all building materials shouldd be removed immediately in order to lower the price of materials, and the government should set up a special fund designed to lend money to all buyers of single family units at very low interest rates, and grant mortgage interest deductions for income tax purposes and municipal and school tax exemptions to all owners of single family dwellings.

Some of my colleagues have already, and others will be doing so later, dealt with issues which the Social Credit Party of Canada would like to see discussed and with legislative action, that they wish to see adopted and we shall do everything in our power to move the government and the population toward a more realistic policy which would be better suited to the needs of Canadians.

[*English*]

Mr. David MacDonald (Egmont): Mr. Speaker, I would be remiss if I did not at the outset comment briefly on the moving and the seconding of the address in reply to the Speech from the Throne which took place earlier in this debate by two of the newer government members of the House. One thing that struck me about their remarks was the degree with which they approached problems that we face in Canada on the basis of their relationship to the worldwide perspective. I think an interesting facet of the evolution of the parliamentary process in this country over the past 20 or 30 years is the increasing preoccupation of all members, past and present, with events that take place outside our borders.

I believe an appraisal was made not many years ago which showed that there were more questions asked about activities outside Canada than those within our borders. I do not know whether this reflects some kind of unnatural preoccupation with foreign affairs or just a frank realization that our country does not exist by itself, does not exist even within its totality, within its North American framework, but is very much a part of the whole international community. In saying that, I am not about to launch into some well known thoughts on foreign affairs as I have had the opportunity to do in the past.

[Mr. Laprise.]

• (2110)

I will focus my attention this evening on something that has from our beginning as a nation been a domestic preoccupation. It is interesting to note that I am making my comments following the introduction of the new national television program, first aired last night, "The National Dream", which is a re-creation of two books by Pierre Berton, "The National Dream" and "The Last Spike". These books chronicle the linking-up of Canada, particularly the area west of Ontario, by the railway and show how the railway made Canada one nation. It is ironic to think that when the railway was being built and when the vision of this country was turned westward, things were happening to this country in its eastern parts which were diminishing in importance and effectiveness the economic and social fabric of this newly constituted country.

For the past 100 years a succession of members of parliament and governments federal and provincial have wrestled with economic and social disparities within Canada. I want to bring the attention of members back to this problem this evening, first because it is still a major issue with which we must wrestle and, second, because I am disappointed with the Speech from the Throne. On this issue the government apparently has taken a "stand pat" approach.

The government says majestically, in the first paragraph of the Speech from the Throne, that it attaches great importance to regional development. Then it goes on to say that many of the measures to be introduced during the session were discussed at the western economic opportunities conference and will be of benefit to all areas of Canada. Then the speech refers briefly to transportation, mentioning it briefly as a key factor in regional development, and it talks about the necessity for developing a comprehensive port structure for Canada. Speaking as a member who represents a part of the country which has wrestled with the discrimination involved in our national transportation policy, I do not for one moment want to play down the importance of the transportation issue as an element in regional development policy.

One cannot be heartened by either the commitment or concern of the government in this regard, because as late as in today's question period, if my memory serves me correctly, a member asked when we are to get from the railroads accurate figures or accurate appraisals regarding freight rates to western Canada. That information was earnestly requested by the four western premiers recently and has not been made available, as I understand it, by the railways either to the Canadian Transport Commission or to the four western governments. If such action is any measure of responsibility with regard to the fundamental question of transportation, no amount of shuffling of amendments or high-flown talk in Speeches from the Throne will make much impact on the difficult issues to do with national transportation.

So far as port development is concerned, if we could hear the premier of Nova Scotia or the premier of New Brunswick speaking, they would tell us about the recurring difficulties they have experienced in coming to

Ottawa and asking for deep-water ports. Development both in Nova Scotia and in New Brunswick has been given little impetus on that particular front.

What then, is the government saying about regional development? Some of the things the minister has been saying—I am sorry he is not here this evening to hear my speech, but I am sure he and his officials will read it—are very good. There have been occasions when all members of the House, I think, would like to rise in collective applause because the minister has accurately gauged a number of difficulties which have existed over the last 4½ dozen years with regard to the administration of regional development policies.

What is disturbing is not the minister's rhetoric but the limited response of the department and the conflicting signals which increasingly have come out of the department. For more than a year we have heard that one of the vital steps to be taken in implementing new regional development policies involves the decentralization of the Department of Regional Economic Expansion. The concept of decentralization is close to the heart of most of the provinces of this country, certainly those at our country's extremities. It was announced with great fanfare that decentralization would take place, that instead of 70 per cent of the federal department being in Ottawa and 30 per cent being in the field, the ratios would be reversed and 30 per cent of the work force of the department would remain in Ottawa while 70 per cent would be dispersed across Canada.

However, we have heard disquieting stories month after month to the effect that senior, key officials are unwilling to leave Ottawa for a variety of reasons. I do not want to focus attention on any individual. The general impression that has been left is that the department is not strongly committed to the idea that this would be a tremendous departure and an important new step in the implementation of new development policies. Also, there were far too many stories to be discounted totally as rumours, to the effect that morale within the department had sagged to an alarming degree. We are hearing far too many reports saying that creative input within the department is either being frozen out or stifled.

Without taking issue with any of the personalities involved, I suggest that the fact that the most important man in the department next to the minister, the deputy minister, is described as the acting deputy minister, is revealing. There are always good reasons for employing people in a temporary capacity. A department might go through a transition period lasting a few weeks or even a few months. But one does not permanently describe a man filling a permanent position as "acting". Neither the government nor the department have indicated why this should be so. So, Mr. Speaker, the government, by saying in the Speech from the Throne that it attaches great importance to regional development, is apparently ready to accept its commitment. On the other hand it is, on other fronts, sending out conflicting and disturbing signals.

I am grateful for the opportunity to speak on the matter of regional development as a composite part of the government's responsibility. That is also a responsibility of all members of this House. It is particularly timely that I should raise this topic because earlier today, in preparation for the national meeting of our party which will take place later this month, there was released a background paper on regional development. It represents the thoughts of some members of this House as well as the thoughts of those who work with the party in attempting to formulate party policy positions on a number of fronts. I shall refer to this report in a few moments because I think it outlines some of those things which we feel are crucial to the development of an effective policy and program of regional development.

● (2120)

I think it is beyond question that Canada in its very essence is a vast, beautiful and, as we have learned again, resource-filled country. By an accident of birth, however, great numbers of people live in areas or regions of Canada which share only marginally in the social and economic development of this country. Attempts to reduce interregional economic disparities and to equalize economic opportunities facing Canadians have been carried on with increasing concern during the past few decades. Indeed, attempts in this connection date back to the very beginnings of this century when Sir Wilfrid Laurier, as prime minister, in 1906 called a resource conference. It was actually a conference sponsored by the Canadian Forestry Association which led to the formation in 1910 of a commission of conservation. Many years later—far too many, I would think—a second resource conference was held in Canada. That was in 1954. It was sponsored by the Canadian Institute of Forestry, the Agricultural Institute of Canada, the Canadian Chamber of Commerce and the Engineering Institute of Canada.

The focusing of regional development as a basic responsibility of the federal government in this country began dramatically in the sixties with the holding of the resources for tomorrow conference in 1961 under the leadership of the right hon. member for Prince Albert (Mr. Diefenbaker). That conference was geared specifically to the study of the integrated, multiple use of renewable resources. It was jointly sponsored by the federal and provincial governments. Surely in the course of the past 13 years we should have learned that if we are going to wrestle satisfactorily with regional development, it can only be done as we recognize the important input of other levels of government, as well as the private sector. Far too often, short-sighted and limited attempts in regional development activity have been put forth which did not take into account the important co-operation of and relationship to other effective inputs in the economic and social sectors.

It is interesting to note that at the 1961 resources for tomorrow conference, 18 papers were presented on all aspects of regional development. From that period through to the late sixties there were a number of programs which flowed out of the kind of momentum which developed from that national conference. It was like alphabet soup: we had AIDA, ADB, FRED and ARDA. In 1969, in a mandate which it said was vital, the present government set up the Department of Regional Economic Expansion. I think that move was basically in the right direction, attempting to integrate and pull together a variety of programs that were spread across a whole group of departments. Some programs were actually working against each

other. One of the rather saddening facts is even with pulling these together, we still see a major amount of economic and social activity engaged in by the government in other departments. This works in opposition to and undermines the important work being attempted by the Department of Regional Economic Expansion.

When we consider the present activities of the department and its move toward decentralization, we are faced with some difficult questions. Some of these questions have already been publicized by some of the smaller and poorer provinces. They are, in effect, asking what decentralization is going to mean. Is it going to mean another level of administration and bureaucracy which a provincial government will have to deal with before eventually coming to terms with the decision-makers in Ottawa? The minister and some of his officials have assured us that this is not to be the case. However, the process of decentralization is taking a much longer time to be implemented than originally forecast, and it is still difficult to predict.

The kind of complexities that will exist with regard to both regional and provincial offices have not yet been fully clarified. In spite of the fact we were told last year that general development agreements would be signed by all provinces with the exception of Prince Edward Island before the end of the year, to my knowledge only three have been signed to this point in time.

What, then, are we to expect from this process of decentralization? Is there going to be an equivalent decentralization of policy decision-making? Is there going to be an effective integration of this decision-making with provincial or regional groups? How is the policy with regard to the various grant or development programs to be developed in this regard? Surprisingly for such a major departure, we have been told publicly very little about that is to be involved and how it is to work in actual practice.

One of the more disquieting aspects is that one wonders how effective it can be in terms of co-ordination of provincial DREE activity with certain key agencies that do not exist on a decentralized basis except for some aspects of administration. Whether you are considering Public Works, CMHC, National Defence, Supply and Services or a host or others, no clear picture has yet developed as to how there is to be any effective relationship.

We know that this year the Department of Regional Economic Expansion will administer over $500 million. In addition, we know that $20 billion, 40 times that amount, will be administered on a general basis by the government of Canada. It is one thing to spend so many millions of dollars for specific developmental projects within a province or region; it is quite another to forecast the expenditure of hundreds of millions, or billions of dollars which may be totally unrelated to the specific functions taking place under regional development policies.

Unless some clear picture is given by the minister as to how this decentralized department will relate to all other departments of the federal government, let alone the provincial agencies, we may enter into an even more chaotic and, I shudder to suggest it, even more demoralizing period with regard to federal department regional development activity. However, my main concern this evening is not with regard to what is currently taking place in terms of decentralization; I am much more anxious to discuss the approach of regional development within the national concept of how we are developing Canada as a whole.

[Mr. MacDonald (Egmont).]

As any good businessman, or indeed anyone who sets out to do a job, will tell you, before one begins any task three things must be nailed down. First, a goal has to be attempted. The second is the framework or guidelines within which the goal will be accomplished. Third is the strategy, or the steps to accomplish the goal. Here I come to what continues to be my fundamental criticism of the government's present involvement and commitment to regional development activity.

The major weakness of the Department of Regional Economic Expansion as established by this government is that it has not asked itself or the Canadian people, putting it in a way in which the provinces and the various people can respond: where do we want to go; how do we want to get there; what will be the framework for this operation? I am reminded of the old song to the effect that if you don't know where you are going, you are generally bound to end up somewhere else.

● (2130)

I suggest, therefore, that in formulating policies which will respond actively and creatively to regional disparities, the following must be kept in mind. We must start out, in my estimation, with the elaboration of a goal that is generally accepted. One of the proposals that has been placed in the public domain today by our party is the suggestion that there be, in the first instance, national consultation on economic and social priorities.

I do not believe, Mr. Speaker, that it is possible to establish any kind of short-term or long-term goals in regional economic development unless we are able, in the first instance, to relate these to the national goal. I think one of the reasons that the government has actively lowered its profile in regional development is the resistance that was beginning to develop or, if you like to use a stronger word, the resentment that has occurred in the high-growth areas over what it was costing to implement regional development policies.

It seems to me that if we are to move beyond our present situation, if we are to make the necessary decisions which will, in effect, close the income gap, the unemployment gap, or any kind of descriptive term you wish to use to describe the have-not or altogether too economically and socially depressed areas, then we must have some kind of national consensus. I think far too often programs have been put on the table on a kind of "take it or leave it" basis to the provinces, suggesting that if they are not prepared to respond in some fashion or other to what has been placed before them, then the provinces can go and peddle their papers elsewhere.

I believe that if we are to have an effective policy of regional development in this country, there has to be some national consensus as to what our short-term and long-term goals are. I do not think this can be achieved unless there is some kind of public consultation. I am not thinking here of some kind of one-shot affair where the provinces and the federal government sit down for a couple of days at the national conference centre under the glare of television lights and in full public view to confront each

other on some of the well known slogans and shibboleths that have been fired back and forth over the ages. What I am suggesting is a thoroughgoing process that would involve all levels of government—and in that I include major municipalities—as well as substantial input from the private sector.

From time to time reference has been made by a variety of governments to the participation of the people. Far too often this has been more a kind of rhetorical slogan than an actualization. I believe we will not lose substantially to alter the present regions, whether they be groups of provinces, as is the case in eastern Canada, or parts of Canada, as is the case in western and central Canada, unless there can be a public commitment to both the kind of process and the cost of the process necessary to close the gaps that exist in this country.

I could quote again this evening, Mr. Speaker—I will not because I do not have the time—the considerable social difficulties that exist among people living in the four eastern provinces. We face the fact that, regardless of the hundreds of millions of dollars that have been spent in the last ten years to correct the situation, the standard of living in the maritimes has been adjusted only marginally in relationship to that of the nation generally. I could also indicate that the unemployment figure for the Atlantic provinces has consistently over the last 20 years been double that of the province of Ontario, and sometimes almost double that of the whole country. But these are statistics that are well known and perhaps do not represent the realities of hardship and loss of opportunity and potential that confront the hundreds of thousands of people who make up this country.

What we need, therefore, is a kind of national awareness, followed by a national commitment, followed by a national strategy. But having said that, we must envisage a way in which this can be carried out. Whe have had, in the person both of the previous minister of regional economic expansion and the present minister, men of powerful persuasion. But their persuasion seems to have been, quite frankly, limited.

In the early period there was great talk about how this department was going to co-ordinate the impact of the activities of other departments with respect to regional economic development. But we know that in general this has not been the case. We know that interdepartmental committees or interdepartmental activity, where it has been established, has basically not functioned effectively. Therefore, any concept of carrying out an effective regional development policy will have to include the new concept of ministry, the concept of support, and one that has been put on the table for consideration today, the concept of a supervising ministry. By that I mean a ministry which, very frankly, would be supervisory in relation to the general activities of the federal government in a variety of economic fields. It would also provide a level of involvement—co-ordination, if you like—not only of other federal departments but other levels of government that often make basic decisions within their own province or region.

Without an effective vehicle for co-ordination we will simply repeat the numerous errors that have become altogether too obvious over the past few years, where a grant or a program is established to promote development while at the same time a major decision is taken by another federal department which totally undercuts the effectiveness that it is hoped to achieve.

Further to that, Mr. Speaker, it seems to me that we have to deal in specific terms with a number of the opportunities that lie before us. One of the tragedies for those who live in regions that are regarded as slow-growth or underdeveloped is that many, if not most, of these regions, objectively speaking, should be not at the bottom but at the top of the list. The Atlantic provinces, parts of western Canada and the north have tremendous potential.

We consider transportation in the Atlantic provinces to be a problem. Yet in fact we are sitting on the doorstep of two of the greatest markets in the world, that of Europe and the eastern seaboard of the United States. Why have we not exploited in our national policies, both regarding transportation as well as marketing, the opportunity that this proximity offers? Deep-water port development and improved highway and rail transit would be an obvious avenue here. But without the commitment of the department that is specifically involved, no amount of grants, no amount of shoring-up inefficient industries will achieve this kind of effectiveness.

We must develop, as well, the entrepreneurial skills existing in our region. But again we have had a kind of passive approach to the fact that in many cases there is need to develop institutions that will give us these skills.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. Does he have unanimous consent to conclude his remarks?

Some hon. Members: Agreed.

Mr. MacDonald (Egmont): Mr. Speaker, I shall not intrude too long upon the time of the House; I know it has been customary in this debate to maintain the 30-minute time limit. There were a number of other items that I would have liked to discuss with respect both to long-range planning and the integration of industry, but these are matters that I am sure I will be able to return to at another time.

May I say in conclusion that I hope the government will realize that there is no necessity to freeze, on a continuing basis, the kind of pattern of disparity that is all too well known in this country. We have the potential, we have the resources, and I believe we have the opportunity. All we really need is both the will and the commitment.

● (2140)

[*Translation*]

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, I am pleased today to address this House and bring into the open the concerns of the voters of St. Boniface constituency.

May I add that the member for St. Boniface, no matter who he is, is always interested in all of Western Canada. It is a well known fact that, generally, it is believed that the most representative elements of Canadian reality are found in the province of Manitoba, and more specifically in the riding of St. Boniface.

The Address—Mr. J. P. Guay

Mr. Speaker, before addressing myself to the Speech from the Throne, I should like first of all to congratulate those who spoke before me. I enjoyed the speeches delivered by the mover (Mr. Stollery) and the seconder (Mr. Pelletier (Sherbrooke)). Needless to say, I also appreciated the comments of the right hon. Prime Minister (Mr. Trudeau), and I listened carefully to the remarks made by the other leaders.

Having spent some time in my constituency, I am coming back to the House convinced that the Canadian people expect us to keep on discharging our duty, to pass measures to their benefit.

There surely exists a credibility crisis that we must solve through debates and serious work. As for me, Mr. Speaker, I am determined to work steadily so that we may make good headway.

[*English*]

Mr. Speaker, my I begin by addressing myself to the problems and aspirations of western Canadians. Never before has so much been written and said about the west. At last eastern Canadians, so-called, are beginning to realize that there exists in the prairie provinces and on the west coast a large body of Canadians who share a different perspective of Canada if only because theirs is a young region, one with a great deal of potential. But it is precisely this potential that concerns western Canadians, because they are concerned about the uses that will be made of their human and natural resources.

Let me say here, Mr. Speaker—and I wish to speak very clearly—that there is no cause for separatism in the west. I for one do not like talk about western separatism. Let me say bluntly that the term does not apply to us. Western Canadians are Canadians first. They want to be Canadians first. Indeed, it is foolish to say even that western Canadians are alienated from the rest of Canada. I believe, instead, that the rest of Canada is alienated from western Canada. Let me go further and say that I believe certain parts of Canada are alienated from the rest of the country. It is true that we who are from western Canada feel that what is commonly referred to as central or eastern Canada is alienated from the rest of Canada.

You know as well as I do, Mr. Speaker, that beliefs are realities and that if, indeed, western Canadians feel the Montreal-Ottawa-Toronto axis is the one which has discriminated against western Canada and, indeed, against the maritimes and our far north, there must be some truth to it.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): There must be some foundation for that belief, but I do not believe the fault lies with us. The fault clearly lies with those who have persisted in the belief that all good in Canada comes from the great centres of population. The fault lies with those who cannot, and will not, see beyond the boundaries of their own world. The fault lies with those who are not prepared to move forward, seeking out new paths and new objectives for Canada.

Let me assure the House that western Canadians want their fellow countrymen to realize that their region holds great potential for development. Now is the time for us to tell young Canadians that they should go west. Now is the time for us to provide the opportunity for young Canadians who want to participate in the expansion and growth of western Canada. Yes, there have been significant developments in the last five years. This government has taken significant steps to increase federal decentralization in favour of western Canada. I welcome decentralization policies as they apply to regional economic expansion and similar programs, but that is only a beginning. Do not believe for one minute that western Canadians can be appeased or that they will be satisfied with a few handouts. That is not our objective. Nor, may I add, are we merely interested in obtaining some grants and favourable programs to fatten ourselves and to line our pockets. Those who would say that do not understand the profound feelings that exist in western Canada.

An hon. Member: That's not what your government says.

Mr. Guay (St. Boniface): You are one of those individuals. It is very obvious that even after the years of experience acquired by the hon. member for Edmonton West (Mr. Lambert), he does not understand western Canadians; that is indicated by what he just said a few minutes ago.

An hon. Member: How about mushrooms?

Mr. Guay (St. Boniface): I will talk to you in a moment if you keep on interrupting. Western Canadians want all other Canadians to understand that Canada's future must lie outside the concentration of wealth, resources and population centres which have until now preoccupied us. We want Canadians to strike out into new avenues, to open up new centres, to expand and benefit from the tremendous wealth of other regions.

An hon. Member: Tell that to your Prime Minister.

Mr. Guay (St. Boniface): We want Canadians to accept the principle that the expansion of Canada into new ventures must not proceed on the basis of per capita grants or subsidies. What we want is a new departure, a new national policy which will go beyond immediate cost-benefit principles. If our predecessors had limited themselves to expenditures based on narrow bookkeeping principles, there would not have been significant development of the far-flung regions of Canada.

What we must do is open up our potential by striking out boldly. For example, it is time we proceeded with vigor in the construction of a second trans-Canada highway right across our north. This is especially crucial to us in western Canada. It would lead to important investments in the northern area of Canada and create jobs for our young people, helping them by giving them the opportunity to live in the far north and to enjoy that part of our country.

● (2150)

[*Translation*]

Mr. Speaker, one of the major frustrations existing in Western Canada is to realize the opportunities that we are offered and especially to know that we do not have the

means to achieve them. I already stressed in this House our lack of influence and certain evil consequences that would be brought about in Western Canada by a loss of representation to Parliament.

What we fear above all, Mr. Speaker, is that people not knowing well Western Canada would make decisions closely affecting us. We are afraid that members representing other areas throughout Canada be the ones to actually pass measures that would not always be for the good of Canada as a whole but too often for the good of their constituency or their area only.

I can understand the immediate problems that exist in their case but I entreat them today, Mr. Speaker, to look towards the future. I add that those who would fear too great an influence from Western Canada have nothing to be afraid of in that regard.

We are not opposed to representation by population, but we believe that it is time to recognize that they are other criteria. We must not leave to a large number of members who do not represent a region, too much influence on the natural resources of another region.

Therefore, Mr. Speaker, find unacceptable I that we from Southern Canada, should decide upon the future of the North-West Territories while too many of us know very little about that region. That is how colonialism takes place. That is what turns one region against another. Mr. Speaker, I hope that we will have the opportunity during this session deal with this important problem.

[*English*]

Mr. Speaker, I should like to continue to outline the problems of western Canada. The Speech from the Throne is very positive in respect of our concerns. There are proposals in it to take advantage of the potential of western Canada in the area of food production. I welcome proposals to increase the supply of food. I welcome proposals to encourage young farmers to become established and to avoid placing them in a debtor situation. If we are to encourage these young people, we must give them an opportunity to live without having to repay large capital loans which carry high interest charges. I hope to say more about this matter during the current session.

There are other positive proposals in this throne speech which apply to western Canada. But let me give you a warning, Mr. Speaker: let me tell you that we must not adopt these measures as a means of holding western Canada in a dependent situation. Let us not simply favour food production in the interest of Canadian consumers. In my view, we must complement this positive policy by ensuring that increased food production on the prairies leads to the establishment of secondary industries to process the crops grown in western Canada.

Here we have the nub of the question. This is what I am talking about when I say that we must expand the economic base of western Canada. If western Canadians knew they were not simply to grow food for the benefit of consumers, but also for the benefit of their young people who would like to remain on the prairies, which they know best, that would go a long way toward making western Canadians feel that others are concerned about them. Let me add that not enough Canadians understand this desire. Not enough Canadians, especially the policy-makers and those in a position to do something about it, are prepared to reverse the population drain from the prairies by creating secondary industries in western Canada. This is one area in which the natural advantages of the prairies must be seen and acted upon.

Mr. Speaker, let me address myself to other matters of concern to western Canada. May I begin by congratulating the Prime Minister (Mr. Trudeau) for calling the first western economic opportunities conference which was held in Calgary last July.

Some hon. Members: Hear, hear!

Mr. Schumacher: What has happened to it?

Mr. Guay (St. Boniface): If it were worth while to give an answer to the hon. member, I would do so; but I do not consider it worth while. I say the "first" conference because I hope there will be other such conferences. A number of meetings of this kind will be required to ensure that this government and the prairie governments understand each other clearly. But this first conference demonstrated to the citizens of western Canada that this government—and I am not speaking here necessarily in partisan terms—

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): —is sensitive to the concerns of western Canadians. This initiative must continue and must be followed up. I am surprised that the hon. member for Palliser (Mr. Schumacher), a western Canadian, would make the comments he has been making while I speak about the benefit to western Canadians. I am surprised that a man coming from Alberta, even though a Conservative, would choose to interfere when another member is placing before the House the case for western Canadians. It is known that he has sung the same swan-song as his leader. They use double-talk. They do things in an attempt to trip somebody else, but they are not sincere in respect of the people whom they represent. I am surprised, Mr. Speaker; I felt the hon. member would be sincere in representing his people, because there are no Liberal members from Alberta. I thought we could depend on him to represent the people, but I am afraid he is not doing so. When he makes the type of comments he has been making, he does not help anybody in western Canada.

May I repeat that I congratulate the Prime Minister and the government for calling this first western economic opportunities conference which has been of benefit to western Canada. I repeat that it must be followed by other such conferences.

The Acting Speaker (Mr. Laniel): Order, please. I am sorry to interrupt the hon. member, but it is ten o'clock.

Mr. Guay (St. Boniface): On a question of privilege, Mr. Speaker, I just want to make clear that I am calling it ten o'clock. I have not completed my remarks.

The Acting Speaker (Mr. Laniel): The Chair noted that the hon. member has the floor, and he will still have the floor tomorrow.

Adjournment Debate

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

INDUSTRY—RADIO ENGINEERING PRODUCTS COMPANY LIMITED—INQUIRY AS TO SALE AND RECOVERY OF INDEBTEDNESS TO CROWN

Mr. A. D. Hales (Wellington): Mr. Speaker, in this first adjournment proceeding in the new session it is an honour to be the first member to participate. I do so to seek further answers and more detailed information on a question I asked of the Minister of Industry, Trade and Commerce (Mr. Gillespie) dealing with Radio Engineering Products Company Limited.

The main thrust of my intervention at this time is to find out why the Department of Supply and Services, the Department of Industry, Trade and Commerce and the Department of National Revenue through sloppy administration allowed their departments to go into debt to the amount of $4.5 million, a sum of money owed to the Crown by Radio Engineering Products Limited. In order to redeem themselves and in the hope of retrieving this money, they found it necessary to buy out this company. The last financial statement of the company showed they had lost $5.4 million in 1972, and it had to have injected into its cash flow in 1973 another $975,000. This is the position in which the Crown finds itself today.

This company manufactures communications equipment in Campbellton, New Brunswick, and has an office in Montreal. In 1965, the Fisher brothers who held the controlling stock of this public company entered into an agreement with the government to share equally the cost of developing communications equipment. This was arranged by the Department of Supply and Services and the Department of Industry, Trade and Commerce, and a loan of $522,000 was made to the company. Several irregularities occurred along the way. First, in 1968, when the debt of $522,000 became due to the Crown, with the approval of Treasury Board the agreement was amended and the loan forgiven provided the company would put the money into further development. This was later revoked and the $522,000 remained a debt to the Crown.

Then the Department of Industry, Trade and Commerce erred twice in the life of the contract with regard to the sharing ratio. The same department failed to issue reports to the interdepartmental committee between April, 1967, and April, 1969. For two years no reports were made to the committee. Also, the department issued a cheque on the very last day on which they were allowed to issue cheques in the governmental year, that is, April 30, 1968, but it was not released until July and the department charged it to the year in which the cheque was issued, not the year in which the work was done. This strictly contravened the Financial Administration Act. Added to all these irregularities by the government, the major shareholders, Fisher brothers, sold their 70 per cent controlling interest to a U.S. corporation. In April, 1970, when the department put the heat on to collect the $522,000, they were told that the company could not pay because all their cash resources of $3.6 million had been lent to the parent U.S. company.

[The Acting Speaker (Mr. Laniel).]

While all this was going on in 1968 and 1969 the company had two exceedingly good years. They made tremendous profits and they owed income tax to the tune of $4 million. As we operate on a self-assessment policy for paying income tax, I would like to know why the Fisher brothers did not declare their tax. I would also like to know why the Department of National Revenue did not collect the income tax. We know that any member of this House, or any Canadian who owes income tax, has to pay it and pay it smartly, but here we have a company that owed $4 million and was not made to pay it. Now we find ourselves with a company that has few assets, that is not making any profit, and the only hope of collecting this money would be if the Crown sold the company which it itself had to buy.

I would like to know why the Fisher brothers were not made to pay this income tax. I would like to know why they were kept on staff and paid a good salary, plus 12½ per cent each of the aggregate net profits before taxes. It turned out that this was a pretty poor decision because recently the contract for their services was terminated. I would like to know from the department whether this company has been sold. If it has not been sold, what steps is the department taking to sell it so that we, the Canadian taxpayers, can have this debt paid to the Crown? Why was the income tax not collected? I suppose it is not being collected now because the federal government owns the company; but why was it not collected before the change of ownership?

I would like to know why the 1973 financial statement, which was due in July, has not been tabled to date, seven months later? This is a very unusual piece of business between the Crown and a public company. It raises a lot of questions to be answered and I hope the department will come forth with answers to some of my questions.

[*Translation*]

Mr. Raynald Guay (Lévis): Mr. Speaker, when the government decided to take over Radio Engineering Products Company Limited in July, 1972, this company and its subsidiary in the United States were facing serious financial problems.

When he announced this take over, on July 14, 1972, the Minister of Industry, Trade and Commerce (Mr. Gillespie) stated among other things, and I quote:

> This take over will enable this company, which is advanced in its field, to carry on its operations, and it will enable the maintenance of about 1,502 jobs.
>
> The company will continue to develop and manufacture specialized multiplex equipment for the international market.
>
> The take over of the company by the government is a short-range measure and we expect that shares will be sold back when the company is in a more stable financial situation.

While the company was government property, very serious efforts have been made and the company's business as well as the level of employment did improve. The company that had specialized almost exclusively in the field of defence equipment is getting its first commercial contracts which should help ensure greater stability. It

employs about 200 people in Montreal and Campbellton, New Brunswick, and this is beyond expectations. As the situation continues to improve, it will become more and more interesting for potential buyers to take over the company. If and when it is sold, the government intends to use the proceeds from the sale to write-off the debt balance to the Crown.

Because of the limited liquid assets of the company, it has not been deemed advisable to recover the indebtedness until the present time.

When the company was government controlled, the department kept in close touch with the New Brunswick provincial authorities of concerning the future of the company which is an important factor in the industrial structure of the Northern part of this province. Provincial authorities continue to support the Federal government action in this matter and take part in the financial effort required for the smooth running of this firm.

● (2210)

[*English*]

VETERANS AFFAIRS—RECIPIENTS OF WAR VETERANS ALLOWANCES, OLD AGE SECURITY AND GUARANTEED INCOME SUPPLEMENT—PROVISION OF COST OF LIVING INCREASES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if we must get down to one last minister of the present government, I am happy to settle for the one who is here tonight, the Minister of Veterans Affairs (Mr. MacDonald). As the minister will recall, I put to him on Monday, December 10, 1973, as recorded in *Hansard* for that date at page 8562, this question:

> As there are to be increases in January in old age security and the guaranteed income supplement on the one hand and in the war veterans allowance on the other, are the necessary steps being taken so that veterans who are on both will receive both and not have one set off against the other?

The next entry in *Hansard* is as follows:

> HON. DANIEL J. MACDONALD (MINISTER OF VETERANS AFFAIRS): Mr. Speaker, those necessary steps are being taken.

A few weeks later, in fact on Thursday, January 3, 1974, as recorded in *Hansard* for that date at page 9010, I put this question to the minister:

> Can the minister say whether the necessary steps have now been taken so that veterans who are receiving both old age security and the guaranteed income supplement on the one hand, and war veterans allowance on the other, will receive the cost of living increases that take place in both those payments this month?

The *Hansard* entry again is as follows:

> HON. DANIEL J. MACDONALD (MINISTER OF VETERANS AFFAIRS): The answer is yes, Mr. Speaker.

Mr. Speaker, it seems to me that my questions on those two days were the ultimate in clarity. So were the minister's answers. I asked very clearly about the two separate cost of living increases that were to take place in January, one on old age security and the guaranteed income supplement, the other on the war veterans allowance. I asked the minister on both occasions if veterans receiving both of those benefits would get both increases, and on both occasions the minister's answer was yes.

In the meantime, on December 18, 1973, two orders in council were passed. They are companion pieces, one having to do with the Civilian War Pensions and Allowances Act, the other having to do with the War Veterans Allowance Act. I won't take the time, in fact there is not time, to give all the details of the order in council with respect to the War Veterans Allowance Act, but the effect of it was to raise the permissible income of a war veterans allowance recipient, who is 65 years of age or over, by a certain amount. The amount by which that ceiling was raised for war veterans allowance recipients, 65 years of age or over, was $4.83 single, $9.22 married. Those are the precise amounts by which old age security and the guaranteed income supplement were escalated in January, $4.83 single, $9.22 married.

The result of the order in council to which I referred is that veterans 65 or over who are on the war veterans allowance got a total increase in January of only $4.83 if they were single, and of only $9.22 if they were married. In these cases we are assuming that the wife is over 65 years of age as well.

But, Mr. Speaker, in January there was also an increase, due to the cost of living, in the war veterans allowance of $10.13 single, and $17.23 married. Veterans under 65 who are on the war veterans allowance got these increases. There is no question about it. The whole point of my remarks on December 10 and January 13 was this: I wanted to make a plea that I thought would be given a favourable response. I thought, this time, that veterans on the war veterans allowance and on the Old Age Security and guaranteed income supplement would get both. Somewhere in the cabinet, and I see the minister is the only one here to answer for the whole cabinet, is someone who frustrated the clear statement of the minister.

There is no doubt in my mind where the Minister of Veterans Affairs stands on this matter. I think he confirmed that when I asked him this morning if this matter is being reviewed. He said that it is, and I hope that even by now that review has got somewhere.

When you escalate, because of the rise in the cost of living, a person's income, you do not really do it if you escalate only part of that income. If the cost of living has gone up by 4 per cent or 5 per cent, and you escalate part of the income by 4 per cent or 5 per cent but do not escalate the other part, you have nullified the whole idea of escalating one's income according to the rise in the cost of living. If there is one group of citizens to which this ought not to be done, it is the veterans. I think the minister agrees with me. In particular, this ought not to be done to veterans who are on the war veterans allowance, or the burnt out pension.

I make a plea to the minister, Mr. Speaker. It is more than a plea; it is an offer of support. I think he needs support in that cabinet. His statement to me was as clear as could be, and yet the order in council does not back it. Advertisements that have appeard in veterans' publications make it clear that he has not been supported. I will be through after one more sentence, Mr. Speaker. I wish to assure the Minister of Veterans Affairs that in his continued review of this matter with his colleagues he has the support of all parties of this House for what he promised on December 10 and January 3; he said that those veterans who are over 65 are entitled to and should get both of

these cost of living adjustments, and this is what all of us support.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I am pleased to have the opportunity to speak on this matter. Eligibility to receive war veterans allowance depends, among other things, upon the income of the applicant or recipient. The amount of allowance awarded in any allowance year, when combined with the recipient's total assessable income from other sources, may not exceed the relevant annual income ceiling as specified in the schedule to the War Veterans Allowance Act.

Section 19.1 of the War Veterans Allowance Act provides that the allowance rates shall be adjusted annually in accordance with the increase in the consumer price index. Hence, as of January 1, 1974, war veterans allowance rates were increased by 6.7 per cent. I appreciate that old age security pension and guaranteed income supplement benefits were also increased on that same date. However, in no case will a war veterans allowance recipient, also receiving old age security and guaranteed income supplement benefits, have his war veterans allowance reduced. In all cases a recipient's total income from all sources will be increased.

With respect to recipients of disability pension under the terms of the Pension Act also in receipt of war veterans allowance benefits, they in all cases received an increase of at least $10.13 single and $17.23 married, from all sources. Where the increase in pension was less than $10.13 or $17.23, as the case may be, the difference was made up in war veterans allowance dollars.

● (2220)

In cases where the escalation under the terms of the Pension Act was more than the war veterans allowance escalation, the recipient benefited up to the level of the war veterans allowance ceiling. Where the pension escalation raised the assessable income higher than the new war veterans allowance ceiling, the recipient's war veterans allowance was cancelled. Nonetheless, I should like to underline the fact that in every case a war veterans allowance recipient benefited by no less than $10.13 or $17.23, from all sources.

The steps which have been taken to ensure continued improvement in the allowances paid to war veterans allowance and civilian war allowance recipients is further indication of this government's concern for the well-being of our veterans and their dependants. As indicated in the annex to the Speech from the Throne, there will be further amendments brought to the War Veterans Allowance Act which will further enhance benefits to veterans.

Motion agreed to and the House adjourned at 10:23 p.m.

HOUSE OF COMMONS

Tuesday, March 5, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

GEORGE DERBY HOSPITAL LANDS, BURNABY—PRESENTATION OF PETITION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have the honour to present to the House a petition pursuant to the provisions of Standing Order 67, which in brief prays that approximately 170 acres situated in the municipality of Burnaby be returned to that municipality from the federal government for the original purchase price. I might say that a petition similar in form has been signed by some 9,000 residents of that municipality. If the petition is found to be in order, Mr. Speaker, I hope it will be referred to an appropriate committee of the House for action.

* * *

TRADE

PROPOSED SALE OF LOCOMOTIVES TO CUBA—APPLICATION OF CANADIAN RATHER THAN U.S. LAW—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, under the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity dealing with the extraterritorial constraints which are holding up the sale of some $25 million worth of locomotives to Cuba. Inasmuch as some $50 million in Canadian public financing has been assigned to the benefit of the Canadian subsidiary involved through the Export Development Corporation, this subservience to foreign laws is intolerable. I move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell):

That the government be instructed by the House to immediately ensure that any company receiving assistance of public funds conduct its operations in Canada solely by rule of Canadian law.

Some hon. Members: Hear, hear!

Mr. Speaker: This motion, under the provisions of Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

TRANSPORT

SHORTAGE OF RAILWAY CARS FOR BRITISH COLUMBIA LUMBER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek the consent of the House to move a motion of urgent and pressing necessity which is not plagiarized from anybody but relates to the continuing refusal on the part of Canadian National Railways to treat fairly northern British Columbians engaged in the lumber industry. I would move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That the Standing Committee on Transport and Communications be authorized to conduct an immediate inquiry into the reasons for there being a continuing shortage of railway cars for lumber products and the reasons why the Canadian Railways in particular seem to be placing lumber producers in north central British Columbia at a disadvantage by not supplying sufficient railway cars, and that the said committee be further authorized to examine the need for the appointment of a railway car co-ordinator to ensure that railways in Canada serve the interests of Canadians on a priority basis.

Mr. Speaker: This motion requires the unanimous consent of the House under Standing Order 43. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

AGRICULTURE

CATTLE—IMPORTS FROM UNITED STATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I ask leave of the House under the provisions of Standing Order 43 to move a motion, seconded by the hon. member for Crowfoot (Mr. Horner), of urgent and pressing necessity and of major concern to all cattle producers, namely in view of the unsettling and detrimental effect on cattle producers and the operators of feedlots caused by the tremendous importation of cattle from the United States into Canada recently, as indicated by the fact that in a most recent week 60 per cent of the kill on the Toronto market were cattle imports, that the government should impose an import duty on cattle imported from the United States of one and one-half cents per pound on the

first 12,000 head, two and one-half cents per pound on imports from 12,000 to 18,000 head, and on imports over 18,000 head, of five cents per pound.

Mr. Speaker: The House has heard the motion proposed by the right hon. member for Prince Albert under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

● (1110)

CONSUMER AFFAIRS

BREAD PRICE INCREASE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise under the provisions of Standing Order 43 on a question of urgent and pressing necessity. In view of the planned four cent increase in the price of a loaf of bread announced yesterday by certain bakeries, especially in light of the statement made in the House by the Minister of Consumer and Corporate Affairs (Mr. Gray) and the recommendation of the Food Prices Review Board that only a two cent increase can be justified at this time, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this matter be referred to the Standing Committee on Agriculture.

Mr. Speaker: Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

TRADE

GOVERNMENT INTERVENTION TO ENSURE SALE OF LOCOMOTIVES TO CUBA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I too rise under the provisions of Standing Order 43 to propose a motion concerning the frustrations of the MLW-Worthington Company of Montreal in its attempt to sell locomotives to the government of Cuba. I welcome the Conservative Party to an awareness of this important issue. I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House instructs the government to act under the provisions of Article 4 of the Canadian Commercial Corporation Act to intervene directly to ensure that locomotives produced by MLW-Worthington of Montreal are sold to Cuba.

[Mr. Diefenbaker.]

Mr. Speaker: This motion also requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

COMMITTEES OF THE HOUSE

WORK UNFINISHED LAST SESSION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity relating to the work of this parliament and, in particular, with respect to ongoing projects and reports undertaken at the request of this House during its first session relating to the law of the sea, to a revision of the rules governing the question period, and to problems connected with security in the penitentiaries. None of these studies or reports is yet completed.

Mr. Speaker: Order, please. I would invite the hon. member to indicate as soon as possible what his motion is. I am sorry if I interrupted the hon. member at the moment when he was about to put his motion, but he will understand that in taking this opportunity I am not directly reflecting on his own motion but on all motions proposed under Standing Order 43. They should be put as quickly as possible and contain the essential motion rather than an explanatory introduction. I apologize to the hon. member if I interrupted him too quickly.

Mr. Munro (Esquimalt-Saanich): Thank you, Mr. Speaker. I therefore request unanimous consent of the House to the following motion, seconded by the hon. member for Moose Jaw (Mr. Neil):

That these three committees at least be ordered to continue the work already specified and report back to this House at the earliest possible opportunity.

Mr. Speaker: The hon. member's motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

CONSUMER AFFAIRS

BREAD PRICE INCREASE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I rise on the same matter of pressing necessity as did the hon. member for St. John's East (Mr. McGrath). With your permission I wish to move the following motion under the

terms of Standing Order 43, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House instruct the government to take immediate steps to force a bread price roll-back to the limits recommended by the Food Prices Review Board, and to the extent that new legislation is required to empower the government to so act, to introduce such legislation immediately.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

ORAL QUESTION PERIOD

[*English*]

CONSUMER AFFAIRS

INCREASES IN PRICE OF BREAD—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs arising out of his statement yesterday about the message from the Bakery Council of Canada indicating that general restraint would be exercised for the month of March. In view of the opposition of the Food Prices Review Board that an increase in the price of bread of more than two or three cents would be excessive, and the reports that some bakeries at least have put their prices up by four cents, would the minister tell the House what action, if any, he proposes to take?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is my understanding that most, if not all, of the bakeries, with one possible exception, which are the subject of these press reports are not members of the Bakery Council. I am taking steps to contact them today, and I hope to have further information to report to the House tomorrow.

Mr. Stanfield: I think the minister conceded with respect to the position of those outside the council or association that there was at least one bakery to his knowledge that had gone above the two or three cent level indicated as the maximum appropriate. What action, if any, does the minister intend to take with respect to any such bakery?

Mr. Gray: Mr. Speaker, first we want to contact this bakery directly and find out exactly what it is doing so that we will have exact knowledge rather than relying on press reports. In addition, as I said yesterday, my request to the members of the Bakery Council through the council itself was for voluntary action, and as soon as we get an assessment of how this restraint is operating, which we want on an urgent basis, we will have to consider what further action would be appropriate.

Mr. Stanfield: Mr. Speaker, may I ask the minister what action he really proposes to take to confront the problem of the increase in the price of bread in view of the impression he has been giving in recent days that he is simply using evasive tactics to permit delays on his part?

Mr. Gray: Mr. Speaker, the action I have been taking is within the framework of the statement made by the Prime Minister last August, which involves a three-stage process. First of all, where unwarranted price increases are identified it is expected that they will be made public by the Food Prices Review Board and given widespread publicity; second, the principals of the enterprise involved can expect to be called before that board and, third, in the event that the board reports significant instances of profiteering, in cases where the parties concerned are not willing to correct this voluntarily then, as the Prime Minister stated, the government would be prepared to seek parliamentary authority to undertake corrective action.

INTENTION OF GOVERNMENT RESPECTING INTRODUCTION OF LEGISLATION TO CONTROL PRICE OF BREAD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. In view of the fact certain bakeries have already announced that they will proceed with a four cent increase, thereby ignoring the recommendation of the Food Prices Review Board, and the statement by the Minister of Consumer and Corporate Affairs in the House yesterday, and in view of the undertaking given by the Prime Minister of September 4 last year that the government would take action in a legislative way if the industry did not comply voluntarily, is the government now prepared, in light of the recommendation of the Food Prices Review Board, to proceed with legislation to halt this unwarranted increase in the price of bread?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, my answer has already been given in that regard.

Mr. Speaker: The hon. member for Toronto-Lakeshore.

Mr. McGrath: Mr. Speaker, may I ask—

Mr Speaker: Order, please. I will return to the hon. member in a moment. I have already recognized the hon. member for Toronto-Lakeshore who has a supplementary. We will be continuing with this subject. The hon. member for Toronto-Lakeshore.

• (1120)

INCREASES IN PRICE OF BREAD—REPRESENTATIONS AGAINST SUCH ACTION TO BAKERS NOT MEMBERS OF COUNCIL

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. If important bakeries in this country are not members of the Bakery Council, I should like to ask why the minister attempted to solve the problem of rising bread prices by working through the Bakery Council?

Mr. Speaker: Order, please. It seems to me that this is argument. The hon. member may wish to ask the question

in a different way; if not, I will recognize the hon. member for St. John's East who also has a supplementary.

Mr. Grier: Mr. Speaker, I shall try to approach the question in a manner that will be in order. In view of the fact that a number of the bakers who are responsible for the price increases are not members of the Bakery Council, what steps did the minister take to contact those bakers in pursuit of some assurance that they would not take this action?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, if I am not mistaken, it was the announcement of the Bakery Council on February 15 on behalf of its members that they were planning to make increases in their prices of three to four cents, with a minimum of four cents in Quebec, that led the Food Prices Review Board to intensify its studies of this matter and issue the two reports of which we are aware. The reports were in response, as I understand it, to the announcement of the Bakery Council. I thought that the most urgent thing to do was to be in touch with the Bakery Council with respect to the intention of its members, and now that we have additional information I am proceeding actively to deal with this other aspect of the situation as well.

Mr. Grier: Mr. Speaker, the minister could have anticipated the problem he has described. In view of the fact that Weston Bakeries announced yesterday it was increasing its price by four cents and it is a member of the Bakery Council and is taking this action in defiance of the council, the Food Prices Review Board, the government and the Canadian consumer, what steps is the government taking to empower itself to enforce a roll-back of that specific price increase which has been announced and confirmed by that bakery?

Mr. Gray: Mr. Speaker, the approach outlined by the Prime Minister on behalf of the government contemplates decisions on action after there have been hearings by the board on its report and observation of whether there is voluntary action once these hearings have taken place. In the meantime I propose to contact Weston's directly to see exactly what they are doing and what they plan to do.

Mr. Speaker: Order, please.

* * *

[*Translation*]

POST OFFICE

SALARY INCREASE FOR RURAL MAIL CARRIERS

Mr. Speaker: Order, please. Has the hon. member for Portneuf a supplementary question?

Mr. Roland Godin (Portneuf): No, Mr. Speaker.

Mr. Speaker: I recognize the hon. member for Portneuf, and we then return to supplementary questions on this matter.

Mr. Godin: Mr. Speaker, I have a question for the Postmaster General.

[Mr. Speaker.]

As the minister announced to us last December that the department was preparing an analysis of the contracts of rural mail carriers in order to adjust further the salaries of these workers to the cost of living, could we know how far this analysis has gone and what increase percentage can be expected by this category of postal workers?

Hon. André Ouellet (Postmaster General): Mr. Speaker, after many requests from members on this side of the House and some from the other side, we have reviewed all contracts for rural mail distribution to adjust them in accordance with the rise in the cost of living registered during the last few years, in brief, to make them more equitable.

We have also announced that, due to the price increase of a gallon of gas, an increase will be granted to all rural mail carriers.

* * *

[*English*]

CONSUMER AFFAIRS

INTENTION OF GOVERNMENT RESPECTING INTRODUCTION OF LEGISLATION TO CONTROL PRICE OF BREAD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. In view of the fact the Food Prices Review Board reported on February 18 that an increase of more than two cents on a 24 ounce loaf of bread could not be justified, and in view of the Prime Minister's statement to the country last September that he would take action if the bakeries failed to respond in a voluntary way and proceeded with any unwarranted increase, does the Prime Minister now propose to accept this challenge thrown to him by the bakeries and bring in legislation? Otherwise his statement is empty rhetoric and the Food Prices Review Board is a farce.

Some hon. Members: Hear, hear!

POSITION OF GOVERNMENT RESPECTING FOUR CENT INCREASE IN PRICE OF BREAD

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a supplementary on the bread situation. In view of the fact there has been an announcement of a four cent increase in the price of bread, and in view of the fact the Food Prices Review Board has said it is unjustified, the minister has said it is unjustified and the Prime Minister has said it is unjustified, I put this question to the minister. Is he going to back down as he has in the past on this matter or does he still feel—

Mr. Speaker: Order, please. I suggest to the hon. member that such questions are not questions; they are debate. Would the hon. member resume his seat. He will be given an opportunity to rephrase his question if he wants to. After that we will go to the next question and I will recognize the hon. member for Oshawa-Whitby.

Mr. Lawrence: Thank you, Mr. Speaker. I think we are entitled to ask the minister—

Some hon. Members: Question!

Mr. Speaker: Order, please. May we have order, please. The hon. member has the floor.

Mr. Lawrence: Mr. Speaker, we are entitled to ask the minister if it is still the government's view, as enunciated by him, that a four cent increase in the price of bread is unjustified today?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, all I said previously about the matter was that the government would view any increase in the price of bread in a most serious manner if it came about through increases in costs which were not justified. This is why I contacted the members of the Bakery Council through their association, to ask them not to make any increase beyond that considered acceptable by the Food Prices Review Board until they had a chance to meet with the board. Second, there was not only a report on February 15 saying that a two cent increase would be justified; there was another report just on February 28 saying that further studies indicated that a further one cent increase might be justified or would be justified under certain circumstances. Finally, I should like to say that we should note the interesting conversion, equal in importance to that of Saul on the road to Damascus, when it comes to the Food Prices Review Board on the part of the Conservative Party.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby.

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TRADE

REQUEST THAT DIRECTIVE BE ISSUED UNDER CANADIAN COMMERCIAL CORPORATION ACT TO ENSURE SALE OF LOCOMOTIVES TO CUBA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that section 4 of the Canadian Commercial Corporation Act gives the minister or the cabinet specific authority to issue a "special direction" to ensure that the trade objectives of the government are carried out through the Canadian Commercial Corporation, will the minister assure the House that he or some other minister or the cabinet will issue such a directive to ensure that the discussed sale of locomotives to be produced in Montreal to the government of Cuba will be proceeded with?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, a very few minutes ago I was talking to the president of the Canadian company with respect to this transaction. I asked him what the status of the application for waiver was. He told me it had not yet been acted upon. I expressed the view to him that if the problem, essentially a United States problem involving United States law and United States citizens—

Some hon. Members: Oh, oh!

Mr. Gillespie: Just a moment—could be resolved by the resignation of those directors, I would expect that resignation to take place forthwith.

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, with regard to the more specific aspect of the member's question, he has raised the possibility of the Canadian Commercial Corporation being used. I am not the minister responsible for the Canadian Commercial Corporation and I suggest that he direct his question to that minister.

GOVERNMENT POLICY RESPECTING OPERATIONS OF SUBSIDIARIES OF FOREIGN CORPORATIONS IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of the answer just given to the House by the Minister of Industry, Trade and Commerce and its implications, I would ask the Prime Minister to make clear to the House what I understood to be the force of the answer. Is it now government policy that if any American or other foreign subsidiary located in Canada does not conduct trading policies that are in accord with the general wishes of the government, the government expects the directors, in this relevant case the American directors, of such corporations to resign?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. member has indicated one course, resignation. We hope to obtain the same results by option, by a series of approaches to this matter. It may not be by resignation. It may be by moral suasion; it may be by talking to the American government. The important thing for the House and the Canadian public to know is that the Canadian government has means to make sure that this kind of deal which is to the profit of Canadian companies does go through. We have the means to do it and we will exercise those means.

● (1130)

Some hon. Members: Hear, hear!

PROPOSED SALE OF LOCOMOTIVES TO CUBA—REPRESENTATIONS BY EXTERNAL AFFAIRS MINISTER TO UNITED STATES TO SECURE REMOVAL OF RESTRICTIONS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Has the minister been in touch with the Secretary of State of the United States in the past day or so to ensure the removal of any restrictions imposed by the United States government on the sale to Cuba of locomotives to be built in Canada by the MLW-Worthington Company, a subsidiary of a United States parent company, which has received $50 million in export development loans from the Canadian government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As the Prime Minister said, Mr. Speaker, the Canadian government has a number of options. The most desirable one would be to get a waiver of this particular rule applied to MLW-Worthington. Representations along

these lines have been made. As the hon. member knows, Dr. Kissinger has been out of the country, but the matter is now in his hands.

Mr. Hees: Mr. Speaker, I have a supplementary question for the Prime Minister.

Mr. Speaker: Order, please.

Mr. Hees: Does the government—

Mr. Speaker: Will the hon. member kindly resume his seat. I will recognize the hon. member for a supplementary. The hon. member for Oshawa-Whitby will also be recognized for a supplementary. At the same time, I would remind hon. members we are only on the second or third subject. We are not making very much progress with all these supplementaries. As I said, the hon. member will be recognized, along with the hon. member for Oshawa-Whitby, following which I will recognize the hon. member for Winnipeg South Centre.

POSSIBILITY OF LEGISLATION TO ENSURE THAT SUBSIDIARIES OF FOREIGN COMPANIES OPERATING IN CANADA NOT RESTRICTED

Hon. George Hees (Prince Edward-Hastings): My supplementary is for the Prime Minister. Is it the intention of the government in the very near future to introduce legislation to ensure that subsidiaries of foreign companies operating in Canada cannot be denied the right to trade with countries with which this country has good trading relations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in stage one of the competition policy this is indeed the spelled-out policy of the government. I hope it has the support of the Conservative party.

Some hon. Members: Hear, hear!

Mr. Hees: It certainly does because that was our policy—

Mr. Speaker: Order, please.

Mr. Hees: We had the guts to carry out trade of this kind.

Mr. Trudeau: I hope you will support it this time.

Mr. Speaker: Order, please.

REQUEST FOR DECLARATION THAT SUBSIDIARIES OF FOREIGN COMPANIES OPERATING IN CANADA EXPECTED TO GIVE PRIORITY TO CANADIAN INTERESTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question for the Prime Minister. Considering the importance of avoiding specific confrontation on a number of items that are being negotiated for sale between Canada and Cuba by other companies and the desirability of avoiding the kind of ad hoc crisis we now have on a specific sale, will the Prime Minister follow the example of the president of Argentina and make a forthright, firm, non-inflammatory statement that henceforth all companies located in Canada will be expected to trade in terms of Canadian priorities?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is interesting that the hon. member urges me to make a non-inflammatory statement and talks about a crisis. There is no crisis. There is a difficulty and it is being solved by the government. I indicated to the House that we will make sure it is solved in the interests of the Canadian people.

Some hon. Members: Hear, hear!

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IMMIGRATION

POSITION OF DEPARTMENT ON MEDICAL ASSOCIATION SUBMISSION RESPECTING ADMISSION OF FOREIGN MEDICAL GRADUATES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question in connection with foreign doctors emigrating to Canada. In the absence of the Minister of Manpower and Immigration I will direct it to the Minister of National Health and Welfare. Can the minister inform the House whether the Department of Manpower and Immigration has taken any action on the brief presented by the Canadian Medical Association on foreign medical graduates coming to Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): Not to my knowledge, Mr. Speaker.

Mr. McKenzie: Will the minister check to see whether the Department of Immigration is now properly advising potential physician immigrants of Canadian licensing and employment regulations?

[*Translation*]

Mr. Lalonde: I will refer the matter to the Minister of Manpower and Immigration, Mr. Speaker.

[*English*]

Mr. McKenzie: Is the minister considering asking the College of Physicians and Surgeons to change their ruling on foreign doctors having to write the education council for foreign medical graduates examination so as to allow foreign graduates to practice in remote areas of Canada where they are badly needed?

Mr. Speaker: Order, please. I would think that is the kind of supplementary that could be placed on the order paper or considered at the time of adjournment.

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GOVERNMENT PROPERTY

REQUEST THAT BARNARD LAND, VICTORIA, BE RETURNED TO CITY AT PRICE PAID BY GOVERNMENT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Prime Minister. On December 8 last the Prime Minister officially turned over the Jericho lands, 37 acres in Vancouver, at cost price to the city of Vancouver.

The city of Victoria has a similar situation with the Barnard estate. Can the Prime Minister give any assurance that Victoria will receive the same treatment accorded Vancouver and thus reinforce his statement of December 8 that such transfers will remind people that the government at Ottawa is their government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government cannot take a general stand on all questions. It has to look at each particular request on its merits. The hon. member knows that the federal government owns vast quantities of land across the country. I think it owns about one-third of Quebec city. We would not in advance want to give any blanket undertaking that anybody who asks can have such land back as a favour. We hope the federal presence can be recognized through federal ownership of these lands and that they do not necessarily have to be transferred to the province or municipality.

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VETERANS AFFAIRS

REPORT ON SURVEY OF HEALTH OF FORMER PRISONERS OF WAR IN EUROPE

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Minister of Veterans Affairs. Has the minister received a report from Dr. Hermann on the health survey of European prisoners of war? If not, when does he expect to receive the report?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I just received the report and am now in the process of studying it. It will be typed in the two languages and made available to members of the House.

Mr. Towers: When?

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EXTERNAL AFFAIRS

REQUEST THAT APPROVAL OF HOUSE BE SOUGHT IF FUNDS TO BE PROVIDED TO GROUPS DEDICATED TO VIOLENCE IN AFRICA

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Will the minister at an early opportunity bring before the House the entire question of the government of Canada making funds available through CIDA to groups dedicated to violence on the African continent, and will he seek the approval of the House before any such policy is implemented?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, during the recess I made a statement, and I confirm it now, to the effect that no grants have been made for any such purpose or to any group of this kind. I also said, and I again confirm it, that no grants would be made for the purpose outlined in the Commonwealth Prime Minister's conference until the estimates of CIDA have been approved by the House.

Mr. Paproski: Does the minister plan to subsidize domestic revolutionaries?

Mr. Sharp: No, Mr. Speaker, and we do not intend to subsidize foreign revolutionaries either.

Mr. Speaker: Order, please.

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[*Translation*]

HOUSING

INQUIRY RESPECTING COMPLETION OF AGREEMENT WITH QUEBEC ON URBAN RENEWAL

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

Following his meetings with his Quebec counterpart, the Hon. Victor Golbloom, concerning the amendments to the National Housing Act and more specifically the development of districts, could he tell the House whether the Quebec minister has given his views on the matter and also whether an agreement will soon be concluded?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, no agreement has yet been signed. I am optimistic that one will be. My colleague, the Quebec minister, has a draft agreement from me on which there has been discussion through my parliamentary secretary at a meeting in Quebec City. I understand the draft agreement will be returned to me shortly. I hope the two governments can soon execute it.

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● (1140)

ENERGY

PRICE OF HOME HEATING OIL IN OTTAWA AREA

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to address a question to the Minister of Consumer and Corporate Affairs. In view of the fact that about one-half of the heating oil used in the Ottawa area is western oil transported by the Toronto-Ottawa pipeline and that the major oil companies are charging eastern offshore prices for that oil, would the minister tell the House what he intends to do about this discriminatory pricing policy?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): I asked previously that this be investigated by the Department of Energy, Mines and Resources and I have been discussing the matter with them. I think the Minister of Energy, Mines and Resources has a report to give the House at this time.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): We have been in discussion with particular refiners in light of what are anticipated to be lower

costs for this home heating oil. Those discussions are continuing. There is some conflict as to the actual cost involved both in refurbishing the pipeline and of the product itself.

Mr. Baker: Are similar discussions being carried on in other areas of Ontario? Are similar assessments being conducted in other parts of Canada and, if so, where?

Mr. Macdonald (Rosedale): I think there is a unique situation here in view of the re-establishment of the pipeline link. There has been a far-reaching discussion with the industry concerning the impact on their over-all cost position of the ability to move western Canadian oil into the eastern market and the costs involved in this movement whether by pipeline or by ship.

OIL—METHOD AND CRITERIA TO BE USED IN ESTABLISHING ONE-PRICE SYSTEM FOR CANADIAN CRUDE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the fact the minister speaks of a one-price system for Canadian crude, will he tell the House what mechanism the government is using to set this price? Is it to be set by the cabinet or is it to be set by the board? What criteria will be used in setting the price of Canadian crude in the future?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): This is one of the questions which is presently under discussion with certain of the interested provinces. It will be a matter with which parliament will be asked to deal later this month. At the moment it is a matter for discussion.

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CONSUMER AFFAIRS

INCREASES IN PRICE OF BREAD—ACTIVITIES OF FLOUR MILLING COMPANIES AS FACTOR

Mr. Frank Howard (Skeena): Mr. Speaker, the question I should like to direct is intended for the Minister of Consumer and Corporate Affairs. The other day I asked him about the relationship between the flour milling companies and their subsidiary companies which are engaged in the baking industry. I asked him whether or not those flour milling companies, because they control wholly-owned bakeries, are padding the price and thus inflating the cost of the end product, namely, bread. Can the minister tell us what he has discovered about this situation?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): When this question was asked the other day I said my authority in this area derived from the Combines Investigation Act and that I would be pleased to have the director look into any evidence which might indicate breaches of the act in this domain. As far as other forms of inquiry are concerned, I have not yet had an opportunity to carry them out, but I am prepared to see what further information can be obtained.

Mr. Howard: Rather than ask a supplementary question, I shall raise a question of privilege. While I shall not level the accusation directly now, the answer the minister just gave leads me to believe that he is either knowingly misleading the House or is misleading it out of ignorance. He has twice—both today and the other day—said he would refer this subject matter to the Director of Research and Investigation of the Combines Investigation Branch. I submit this is an attempt to mislead the House and the country into thinking that he and his department are going to do something—

[Mr. Macdonald (Rosedale).]

Mr. Speaker: Order, please. The hon. member will appreciate that is hardly a question of privilege. It is debate. He does not agree with the statement made by the minister. It is a long established rule of the House that a dispute as to facts cannot form the basis of a question of privilege. The hon. member is debating an issue. The question period is so short that I would hope hon. members would not use it for alleged questions of privilege.

Mr. Howard: On the question of privilege, if Your Honour will permit me to speak to the point for just a moment, as I said, one could very easily level the accusation that the minister is deliberately misleading the House. If I do that, that is a question of privilege. Twice, now, the minister has told us he has referred this matter to the director of the combines investigation branch though, in fact, there is no director and there has been no director for over a year. That office is vacant.

Mr. Speaker: Order, please. The hon. member uses a strange argument. He says, "If I made the charge, that would be a question of privilege, but I am not making the charge and therefore I have a question of privilege." This is an argument between himself and the minister, and I would hope we could continue with the next question.

Mr. Howard: Let me say, then, that the minister has deliberately misled the House in giving those answers to those particular questions.

Mr. Gray: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member knows as well as I do that he cannot charge another member, whether he be a minister or not, with deliberately or wilfully misleading the House. That is entirely unparliamentary. The hon. member cannot make such a statement. I will hear the minister first because he has been impugned by the accusation or charge now being made by the hon. member for Skeena.

Mr. Gray: Mr. Speaker, I do not intend to lower myself to the hon. member's level—

Some hon. Members: Hear, hear!

Mr. Gray: —but I do wish to put on the record that the position of director of the combines branch is being filled very capably on an acting basis by Mr. J. J. Quinlan.

Some hon. Members: Hear, hear!

Mr. Howard: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Skeena cannot flout the rules. He has the same responsibility as

all other members to respect the rules. I think the hon. member owes it to the Chair to co-operate. The rules are difficult enough to administer and interpret without the position of the Chair being made more difficult, if not impossible. I call upon the hon. member to qualify the statement he has made.

Mr. Howard: Now that the minister has admitted that there is no director—and there has been no director for the past year; that office has been left vacant—

Some hon. Members: Oh, oh!

Mr. Howard: True, there are two acting directors but that does not give the minister licence to say there is a director.

Some hon. Members: Oh, oh!

Mr. Gray: On a question of privilege, there are not two acting directors. The position is not vacant. It is being occupied by Mr. J. J. Quinlan and I feel the hon. member should not, either wittingly or unwittingly, attempt to mislead the House.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The minister is not helping the Chair. There are just a few minutes left before the end of the question period and I would not like them to be used in a battle over what the hon. member has said or not said. As I heard him, he made a comment which I gather from his introduction he is about ready to qualify.

Mr. Howard: Mr. Speaker, I am one who is coming quickly to the conclusion that the minister cannot deliberately do anything, so I withdraw the word "deliberately". But he sure did it out of ignorance.

Mr. Speaker: I am not sure that the hon. member has settled the situation completely. My understanding is that he has withdrawn the charge, the very serious charge, that another member has deliberately misled the House. I would hope hon. members could debate in this chamber without using language which is clearly unparliamentary and which they know, from their experience, to be unparliamentary. As a very humble member, I certainly cannot see what is achieved by using expressions of this kind and unparliamentary words.

Some hon. Members: Hear, hear!

* * *

TRANSPORT

LOSS OF SHIPMENT OF NICKELS BEING MOVED BY RAIL TO WINNIPEG

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the Minister of Transport, Mr. Speaker, and I express the hope that he is feeling better. Has the minister any information for the House concerning a lost nickel shipment on its way by rail to Winnipeg, possibly in Longlac area?

Hon. Jean Marchand (Minister of Transport): I am not aware of this. I will inquire and report to the hon. member.

* * *

AGRICULTURE

COST OF BALER TWINE—GOVERNMENT ACTION

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I have a question for the Minister of Agriculture. The minister in his remarks yesterday indicated that certain agricultural costs had increased by some 300 to 400 per cent, and since baler twine is one of the items affected I should like to ask the hon. gentleman whether he has taken any action in an effort to contain its price and, if so, what results he has achieved?

Hon. E. F. Whelan (Minister of Agriculture): As I am sure the hon. member knows, this is an imported product. Most of the people who produced baler twine have gone out of business for the same reason that some farmers have gone out of business, because they could not make a buck. There is a real world shortage of supply and everybody is bidding for it. Perhaps the hon. member has a suggestion as to what more we can do. We have asked people to produce a synthetic type of baler twine made out of plastic. I believe some of this will be on the market. But I am sure there will still be a terrific problem just the same as there is a sugar problem which is a world problem.

● (1150)

AGRICULTURAL INPUT COSTS AS PART OF CONSUMER COSTS

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, since the answer to my question is no, I should like to ask the Minister of Consumer and Corporate Affairs whether agricultural costs are considered as part of consumer costs, and has he been able to obtain any satisfactory answers whatsoever in his office as Minister of Consumer and Corporate Affairs?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, my understanding is that they are considered as inputs into consumer costs.

* * *

LABOUR RELATIONS

POSSIBILITY OF RAIL SERVICE DISRUPTION BECAUSE OF PROPOSED RUNTHROUGH OF CNR TRAINS INVOLVING NAKINA, ONT.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I have a very urgent question for the Minister of Labour.

Mr. Nielsen: Phone him.

Some hon. Members: Oh, oh!

Mr. Penner: In view of the proposed runthrough of CNR trains through the home terminal of Nakina, Ontario, a proposal that has been agreed upon by the company and the Brotherhood of Locomotive Engineers, despite strong local protest and resistance in Nakina and Hornepayne, I

should like to know whether the Minister of Labour will agree to intervene directly in order to prevent the possibility of a very serious national disruption of our rail services?

Hon. John C. Munro (Hamilton East): Mr. Speaker, I can advise the hon. member that the director of mediation and conciliation for the Department of Labour is meeting with the chairman of the engineers' union this morning in an endeavour to resolve this matter.

* * *

ENERGY

CONCERN OF FARMERS OF SOUTHWESTERN ONTARIO ABOUT ROUTE OF PROPOSED OIL PIPELINE EXTENSION

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the widespread concern among agricultural people in the southwestern Ontario region that an additional pipeline going through that area from Sarnia will cause havoc to a great deal of prime farmland, has he looked into every possible avenue for this pipeline and is it possible that some alternate route would serve the purpose?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the question of route was very extensively examined before the final decision was taken to put it in effect along the existing Trans-Canada right of way through that area.

* * *

TRANSPORT

INCREASE IN RAILWAY FREIGHT RATES ON STEEL SHIPPED TO WESTERN CANADA—GOVERNMENT ACTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact the government wants a subsidy on oil so we will have one price across the country, can the minister advise whether the government is taking any action to rescind the one-third in freight rates on steel going to western Canada?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have sent a wire to the presidents of both railway companies, Mr. Sinclair and Mr. MacMillan, protesting against this increase. I was informed unofficially that the increase is to be phased in, but I am still opposed to it and I hope they are going to roll it back.

Mr. Reynolds: Mr. Speaker, I am very happy to note that the minister does not agree with the increase, but I should like to ask whether the government will immediately introduce legislation to make sure there are no increases on freight rates to western Canada?

Mr. Marchand (Langelier): Mr. Speaker, knowing the powers we have, I hope I will have the support of the House if ever we want to use them in the form of a legislative instrument.

[Mr. Penner.]

THE CANADIAN ECONOMY

ACQUISITION OF MACDONALD TOBACCO COMPANY BY R. J. REYNOLDS COMPANY—GOVERNMENT POSITION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. Before the recess the minister indicated he was having discussions with the R. J. Reynolds people and the Macdonald Tobacco Company concerning a takeover which seemed to be occurring during the interim period between the passage of the Foreign Investment Review Act and its promulgation. Would he advise the House what success he has had preventing the industry from being dominated by a United States corporation?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think I have indicated on a number of occasions that I very much regret the decision of those who sold control of this firm to the United States, it having taken place before the law could be promulgated. This particular transaction went through before we had an opportunity to screen it. As to the question of significant benefit to Canada, we have had and are still having useful discussions with both companies. They have I think, expressed a genuine interest in trying to meet the test of significant benefit to Canada but in my opinion they have not yet done so. We will be having further discussions on that point.

* * *

AGRICULTURE

POSSIBILITY OF TARIFFS AND QUOTAS ON BEEF IMPORTS FROM UNITED STATES TO ASSIST CANADIAN INDUSTRY

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. In view of the very serious problems that plague the livestock industry, are he and his cabinet colleagues giving serious consideration to the institution of a system of reciprocal tariffs and proportionate quotas as proposed by the Canadian Cattlemen's Association in respect of the movement of beef between the United States and Canada, or is any consideration being given to the implementation of upper limits on beef imports into Canada from the United States in order that we may save the beef industry in this country?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I can say that all the suggestions made by the Cattlemen's Association and by other associations, including the beef improvement association, the stock growers and the feedlot operators, as to what should be done are all being considered. We are meeting with the Canadian Cattlemen's Association later this afternoon.

I should like to correct one thing that was stated earlier in the proceedings today to the effect that 60 per cent of the cattle coming into the Toronto market were coming from the United States. Last week the figure was 45 per cent, which is still very bad as far as I am concerned.

Mr. Horner (Crowfoot): Can we expect a statement tomorrow?

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Vegreville on a supplementary question, to be followed by the hon. member for New Westminster on a further supplementary, and then perhaps one or two last questions.

Mr. Mazankowski: Can the Minister of Agriculture indicate to the House when he will be making an announcement to the House and the country regarding the measures the government will undertake to bring about some order, stability and confidence in the beef industry in Canada?

Mr. Whelan: Mr. Speaker, I think that the old answer will suit—soon.

* * *

THE CANADIAN ECONOMY

ACQUISITION OF MACDONALD TOBACCO COMPANY BY R. J. REYNOLDS COMPANY—POSSIBILITY OF RETROACTIVE LEGISLATION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, again my question is directed to the Minister of Industry, Trade and Commerce and is supplementary to the one I asked previously. In view of the fact the government was successful in respect of the Home Oil and Denison Mines transactions but has not been successful in respect of the takeover of this very important Canadian industry, will he now advise the House whether he has indicated to the R. J. Reynolds people that the government will introduce retroactive legislation to cover this takeover?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, in the two cases the hon. member mentioned, Denison Mines and Home Oil, neither transaction had been completed. As to the question of retroactivity, the government does not intend to introduce retroactive legislation.

* * *

CONSUMER AFFAIRS

ADVERTISEMENTS FOR SALE OF HOUSES IN TORONTO AREA—CONTRACTS WHEREBY BUILDER CAN CHANGE PRICE AND MORTGAGE TERMS

Mr. Don Blenkarn (Mississauga): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Is he aware that advertisements in newspapers in respect of the sale of new homes in Toronto indicate a fixed price for these homes, but when buyers go to purchase the homes they are told they cannot in fact buy the homes and that all they can buy is a reservation on a home under a contract which says that the sale price—

Mr. Speaker: Order, please. Will the hon. member resume his seat. I hesitate to interrupt the hon. member for Mississauga, but I would request him to ask his question as we are running short of time. The hon. member knows he cannot read a contract but should ask his question directly.

Mr. Blenkarn: I apologize to you, Sir, but I had almost finished what I had to say. Let me go back so I can put the information to the minister in order to find out whether he is aware of this matter.

Mr. Speaker: Order, please. The hon. member should try to ask his question without conveying information. I am sure the hon. member can ask his question so that we can get on with the question period.

Mr. Blenkarn: Mr. Speaker, is the minister aware that reservations are now being given to purchasers instead of clean, outright sales and that these reservations allow the builder or developer to change the price, mortgage terms and everything else unilaterally?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have not yet seen these advertisements, and I thank my hon. friend for bringing this to my attention. I will see that they are looked into under the provisions of the misleading advertising section of the Combines Investigation Act.

* * *

GRAIN

REQUEST BY WHEAT BOARD THAT ADDITIONAL RAILWAY CARS BE PURCHASED FOR MOVEMENT OF PRODUCT

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the minister responsible for the Canadian Wheat Board. Mention was made in the throne speech of the importance of Canadian grain rail transportation capabilities. I should like to ask in this regard whether the government is now prepared to look at and deal with the request from the Canadian Wheat Board that additional hopper cars or rolling stock for grain movement be purchased?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we are looking at this specific request along with many other measures to bring the transportation system forward to the point that we can assure the delivery of the grain which can be produced in the prairie region.

● (1200)

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

Mr. Speaker: The hon. member may ask a supplementary, after which we will proceed with the business for today.

Mr. Murta: Thank you, Mr. Speaker, for permitting me to ask one short supplementary. Since the minister and his officials have been looking at these proposals for some time now, can he give any indication when there will be any positive word, one way or the other, on the purchase of additional rolling stock for grain transportation?

Mr. Lang: We have been dealing more urgently with the immediate situation. The purchase of additional hopper

cars would not accommodate or improve that situation. The fact is that the car order process is very fully booked for quite a period forward, so some decision in the near future is adequate. We will be making that decision before very long.

SPEECH FROM THE THRONE

[*English*]

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Monday, March 4, consideration of the motion of Mr. Stollery for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Stanfield (p. 31).

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Justice): Mr. Speaker, at ten o'clock last night I was in the midst of congratulating the Prime Minister (Mr. Trudeau) on having called the first Western Economic Opportunities Conference which was held at Calgary. I was also saying that many more such conferences will be needed. However, this first conference demonstrated to the citizens of western Canada that this government—I am not speaking, as I said, necessarily in partisan terms—is sensitive to the concerns of western Canadians. This initiative must continue. It must be followed by others. As a result of the conference a number of proposals were put forward. These will go a long way toward rectifying some of the problems faced by western Canadians. I refer particularly to transportation policies. Once these proposals are implemented they will be of benefit to consumers, businesses and farmers in western Canada.

We must help those in the grain business, those in the lumber trade and those in the fruit industry. While it is true that farmers in western Canada now receive the highest prices for their production, this does not necessarily mean that they are receiving the highest return on their production because they are now paying the highest prices ever for farm machinery, labour, maintenance, fertilizers and even twine and the like. Then there is the additional burden of having to finance these purchases.

There is also a curious factor involved which I must bring to your attention, Mr. Speaker. Farmers living in western Canada close to the oil industry are paying the fantastic increases in the prices of oil and gas. They are paying the same percentage increase that is paid by Canadians living elsewhere. Many people believe that western Canadians somehow are ripping off Canadians in other areas, but that is not true. There are western Canadians who feel they should pay less for gas and oil products because they are close to the source. They feel this way because for a long time they have had to pay more than Canadians elsewhere for manufactured products such as automobiles, television sets and the like.

It has been suggested that western Canadians wish to blackmail the rest of Canada by charging more to others for their oil and gas. If this is the case it must be because they in turn have been exploited by others for too long in other areas. I do not believe it is blackmail. I believe western Canadians are trying to point out that they will agree to sell their natural resources at the same price to all Canadians only when the rest of Canada return the favour. That is not exploitation. When the people of the west are treated equally in regard to consumer products with Canadians living in eastern Canada, then they will reciprocate.

[*Translation*]

Mr. Speaker, the Speech from the Throne referred to additional measures in favour of women. I am very glad about this initiative and I hope that there will be many more women in this House in the future. I am happy to see also that we shall be doing something to abolish certain practices which are contrary to the aspirations of half of our population.

I must admit that I may be a little old to speak about these issues, but I am aware of the deep changes which are occurring in our constantly developing society.

I think that it may be up to the next generation to understand the effects and objectives of this movement, but I am optimistic about the future. This is quite a challenge for those who will replace us. The recommendations of the Royal Commission on the Status of Women in Canada must continue to be studied seriously.

In closing, Mr. Speaker, I should like to emphasize one point, that is that we shall have to operate without party considerations once more in western Canada. As for me, I am ready to work in co-operation with all hon. members to implement the initiatives mentioned in this Speech from the Throne.

[*English*]

Mr. Speaker, the Member of Parliament for St. Boniface wishes to assure all members that his position in favour of western Canada and his desire to promote western Canada are not intended to weaken Canada or to seek special advantages or privileges for this vast region of our country. Let me as a westerner by birth say sincerely that I have always been excited by the potential of western Canada. The people of the prairies and those from the Pacific coast want other Canadians to share in the great future of the west and the far west. We are not separatists; we are not un-Canadian; we are not blackmailers. We are concerned Canadians who have been forced to speak a little louder sometimes because others have not listened to us. My plea to all in this House is that they listen to the west. To listen is to learn. To learn is to understand, and to understand is to be prepared to act.

I believe I have said enough, Mr. Speaker. I hope we will receive the co-operation of the loyal opposition in implementing the policies in the throne speech.

● (1210)

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I want to thank you for recognizing me and allowing me to take part in this most significant debate. Before I continue may I extend my sincerest congratulations to the new Governor General and Her Excellency as they embark on fulfilling this very important and significant post in Canada.

I should also like to congratulate the mover and seconder of the Address in Reply to the Speech from the Throne, the hon. members for Spadina (Mr. Stollery) and Sherbrooke (Mr. Pelletier). It was readily seen that a lot of work went into their deliberations and I should like to commend them for their ideas and the sincerity with which they presented them.

The Speech from the Throne may be impressive on paper in terms of dealing with inflation, setting up a national petroleum corporation, bringing about reasonable prices for farm and agricultural products, giving aid to small business, regional development and equality for women, the last I think of extreme importance. I have said on many occasions that within that particular group there is a skill bank from which there have not been sufficient withdrawals owing to discrimination and the lack of appreciation of what women can do, not primarily because they are women but because they have special skills and talents from which we can acquire a great deal. Perhaps in this area we as men have been lacking.

I point out that the Speech from the Throne is couched in generalities. It is calculated to impress the electorate but is meaningless until the fine print is disclosed. By this, I mean the legislation to follow the letter of intent, if I may put it in that way, which is the Speech from the Throne.

The legislation that is proposed may or may not be brought in. Even if it is brought in, it may then be allowed to die on the order paper. If my memory serves me well, last session the government introduced Bill C-125 which, for a number of reasons, was not allowed to be proceeded with. In this regard we lost what I believe was a very significant opportunity to delve into the Unemployment Insurance Act as well as to see to it that the people of Canada would be saved $100 million.

A significant part of the speech is directed to the Unemployment Insurance Commission. Let me quote this extract:

> Amendments will be introduced to the Unemployment Insurance Act as a part of a comprehensive review of the plan undertaken in the light of the experience of the last few years.

As a result of the experience of the last few years my leader, the Leader of the Official Opposition (Mr. Stanfield), has called unequivocally for an independent inquiry into the workings of the Unemployment Insurance Commission. You will readily see why, Mr. Speaker, after I have reviewed some of the history that followed the introduction of the Unemployment Insurance Act in 1961.

I bring to the attention of hon. members the pamphlet that was distributed by the then minister of labour responsible for the birth of the UIC. In that pamphlet is this paragraph:

> We feel strongly that for our society today the proposed plan is a good one. This scheme, like all social programs, will have a certain life span.
>
> It has been a well planned and scrutinized creation in a series of social development programs. It will allow all Canadians to experience the growing opportunities and rewards of our advancing society.

May I direct my colleagues to two portions of that quotation which are significant, namely, that "It has been a well planned and scrutinized creation", and "the proposed plan is a good one". Let me underline once again that in its present form this plan is not only one of the most expensive plans in the world but it is readily seen to have been neither well planned nor scrutinized. Two years of history have placed on record the prognostications and errors regarding the cost of the plan and the rate of unemployment. The 1971 revisions to Canada's unemployment insurance program were intended to alleviate some of the suffering brought about by high levels of unemployment. The Trudeau government's policies of economic slowdown were responsible for the drastic rise in unemployment which began in 1970 and has proceeded ever since. The former minister of labour is the latest Liberal cabinet minister to admit this.

Since taking these deliberate actions which resulted in high unemployment, the government has been consistently wrong in its forecasting both in regard to the level of unemployment in the country and the cost of paying unemployment insurance benefits. The unemployment insurance scheme as originally proposed by the then minister was to be a self-financing insurance scheme funded by employer and employee contributions when unemployment was below 4 per cent; above the 4 per cent level the government agreed to put up public money on the assumption that it is the government's fiscal and monetary policy that creates the level of unemployment in this country. I remind the House that the former minister of labour said when the bill introducing the scheme was first debated that this was the basis upon which the federal government would then supply the additional moneys, because he felt that unemployment was the creation of the government.

My party argued at that time that although we were in favour in principle of such a scheme—meaning a revamped unemployment insurance plan—it could turn all too easily into welfare that removed from Canadians the incentive to work. Of course, the Trudeau government argued that the 4 per cent level meant that the government had a vested interest in getting the unemployment figures down, a stance not borne out by the economic policies of the government, policies that have kept unemployment, seasonally adjusted, near or above 6 per cent for two years.

My main concern in this whole issue is twofold: first, the incredible cost of the system—$2 billion for benefits plus administrative costs amounting to $145 million; second, the much needed reduction in unemployment in Canada. It is for this reason that my party has proposed a two-edged policy to get Canada's economy moving again and to get Canadians back to work. This proposal would, among other things, eliminate the sales tax on all clothing, not just children's clothing, and eliminate the sales tax on building materials.

In addition, much of our party's policy has been directed to what we call the incentive society. All of our economic thrust has been to get Canada back to work, to increase productivity, and to increase substantially investment capital for small business through an incentive scheme. By working unemployment down to something like 4 per cent and then seeing if it can be lowered from there, tremendous amounts of government money now expended on unemployment insurance benefits could be freed for other social uses such as lowering the age for the old age pension. In addition, the billion dollar drag on Canada's

economy, a drag caused by the Trudeau government's policies going back as far as 1969 and 1970, would be substantially reduced as unemployment dropped.

The other proposal to be brought into effect at the same time would freeze all incomes and prices, except the price of food at the farm gate, for 90 days. During this freeze period consultations with labour, business, consumer groups, farmers and the provinces would be conducted, with a view to establishing a longer term—say 18 months to two years—economic stabilization program that would restore order to our economy.

Inflation continues to accelerate, Mr. Speaker. It is at a stage where it feeds upon itself through an induced inflationary psychosis, and it will continue to accelerate unless the government takes some action and gives some leadership to suppress current expectations. The government can do this in only two ways, The first is by using fiscal and monetary policies alone and putting many thousands out of work; the second is by using fiscal and monetary policies and an incomes policy. There is no other choice, for the economy will not long survive constantly accelerating price increases.

● (1220)

I do not have to repeat the serious handicaps which those on fixed income and those in the middle income groups face in terms of shelter, food and clothing. The guy in the middle seems to be squeezed, and the government just says that because it believes inflation is induced by offshore factors it can do nothing about it. As my leader has often said, and as we continue to say, Mr. Speaker, we do not accept that. Thus, my party's position on unemployment insurance must be seen in the total perspective of our economic package proposals to cut unemployment and combat inflation.

Certainly cheaters of the Unemployment Insurance Fund must go. Canadians should not be allowed to collect benefits if they are not actually seeking work, and those who voluntarily quit work for no justifiable reason, or refuse work for which they are qualified, or work which is reasonable, should not receive unemployment insurance benefits.

Although the unemployment insurance plan has been in operation for only two years many problems have arisen in connection with it. Three of the most significant are as follows: (1) the need to increase premiums dramatically, something which we experienced just in the past couple of months; (2) administration of the fund in terms of high benefit costs and, (3), the minister's credibility. I want to touch on all three of these matters.

As I have noted, one significant problem has been the need to increase premiums rather dramatically. I would like to put on the record the experience of the fund in the years 1972 and 1973.

In 1972 employer-employee contributions totalled about $691 million. In 1973 we understand that they were approximately $1,269 million. In 1972 there was a deficit of approximately $174 million, whereas in 1973 there was a deficit of about $509 million.

What is even more astounding, keeping in mind what was told us in debate on the initial stages of the bill

[Mr. Alexander.]

setting up the fund, is what has happened to the premiums. I would like to put these figures on the record for the years 1972, 1973 and 1974.

The basic rate in 1972 for the employee was $0.90, and for the employer $1.26. In 1973 the employee rate was $1 and the employer rate $1.40. We understand that as of January 1, 1974, the premium rate for the employee is $1.40 and $1.96 for the employer. In other words, what we are talking about is a 40 per cent increase in the premium rate in order to sustain the unemployment insurance fund. You can understand my apprehension about this whole matter since we were told that premiums would be nowhere near the level that the minister has just authorized.

What about the administrative costs for which the employee and the employer are responsible? Let us look at the costs projected in the white paper and at the actual costs. The projected administrative costs for 1972 were $71 million, but the actual administrative costs in that year were in the neighbourhood of $120 million. The white paper projected costs for 1973 were $73 million and the actual costs for that year were $145 million. This actual cost of $145 million represents an increase over the estimated cost in the white paper of $72 million.

An hon. Member: It is double.

Mr. Alexander: Yes, it is double, and then you wonder why we in this party call for an independent inquiry.

The problem in the administration is the high benefit cost. Let me tell you what happened in 1972. I will not go back farther because in 1971, as already stated, we had the introduction of the new plan in conjunction with the older plan. In 1972 benefits cost $1.873 billion, and there were additional administrative costs of about $122 million, the latter having to be looked after by the employer and employee. In 1973 benefit costs hit $2.03 billion, plus $145 million for administrative costs, despite the fact that in 1973 unemployment generally was lower than in 1972 and notwithstanding the fact that 250,000 claimants were disqualified or disentitled.

By contrast, benefits in 1971 cost $892 million and in 1970 $694 million. What a contrast! What a history! Surely it is time to reassess the act seriously as to its intent, purpose and direction. Most certainly, Canadians are entitled to know the truth. We must determine the relationship between the high job vacancy rate, high benefits and high unemployment.

As the Hamilton *Spectator* put it in its issue of January 9, 1974:

> To tax the productive to subsidize a growing number of non-productive cannot help but lead to ultimate disaster. No nation can long survive if it does not respect the dignity of labour.

As I have often said, Mr. Speaker, this country was built on the work ethic, is still being built on the work ethic, and will continue to be built on the work ethic. But now we have disincentives to work. I have seen them introduced as a result of the new thinking brought in by the government, and I say we are in trouble unless there is a reversal of this thinking. Most Canadians are raising a hue and cry because they dislike what is occurring with respect to the Unemployment Insurance Commission.

A sampling of the nation's press underlines the suspicion raised as a result of misuse and abuse of UIC funds. It was called a "mess" by the Winnipeg *Free Press* on November 21 last. That paper had this to say:

Originally planned as an insurance program, it has long lost any semblance to this. It is a social welfare program, pure and simple, paid for in large part by thousands of Canadians who can never hope to benefit from it.

When the Minister of Manpower spoke on or about November 6 last year, the Vancouver *Sun* said he was whitewashing the UIC. It stated:

He made a great point of saying that about 250,000 persons will have been disqualified for benefits or thrown off the insurance rolls this year as a result of diligent investigation. Such statistics, however, merely prove the massive extent of attempted or semi-successful fraud perpetrated against the fund, without any indication about how many are getting away with it. The number who weren't caught must have been astronomical. This is implicit in Mr. Andras' statement that the investigating staff that totalled 147 a year ago now stands at 369 and 55 more will be added by the end of this year. This simply means that the number of watchdogs was insufficient a year ago and it still is.

That was the Vancouver *Sun* summation. "Unemployment income tax," reports the Vancouver *Province* of November 10, and "Rip-off continues," comments the Toronto *Sun* of November 15.

● (1230)

The third and most important problem is the credibility of the minister responsible. On May 22, 1973, when he was speaking to his estimates before the Standing Committee on Labour, Manpower and Immigration, he said:

But without indulging in superlatives I feel I can say honestly that this is a good and decent program and that, although as I have mentioned we still have problems to solve, our reorganization will move it a long way toward more efficiency, sensitivity and humanity.

When introducing notice of the increased premiums on November 7, 1973, the minister made a statement on motions. I should like to quote from page 11 of that statement where he said:

The important review of social security in Canada, now going on under the leadership of the Minister of National Health and Welfare, also makes this the wrong time for a legislative change in a social program as significant as the unemployment insurance program.

How inconsistent can that minister be, Mr. Speaker? This is what I am talking about in terms of a credibility gap. We see now that he is bringing in legislation in order to amend the act. I wonder whether the social security review has now been completed by the Minister of National Health and Welfare (Mr. Lalonde). I would respectfully suggest that it has not. I would respectfully suggest that he is bringing in legislation now because he realizes that the act in its present form is unacceptable to Canadians and that they expect action.

Some hon. Members: Hear, hear!

Mr. Alexander: In terms of action we await the legislation that the minister promised by his letter of intent and the Speech from the Throne, and we say that we will not accept any cosmetic features in a bill, nor do we expect him to bring in any ad hoc measures in order temporarily to appease the opposition and not so much us but the people of Canada.

Again, on the question of the minister's credibility I should like to quote from the same speech at page 13 where he said:

I am determined that the unemployed who are genuinely doing their best to get work will receive their rightful benefits, and our fullest assistance in their efforts to find new jobs. But I am equally determined that those who are not entitled will not receive benefits. And I am confident that we now have the administrative system and competence to make this determination stick.

That is what the minister said on November 7, Mr. Speaker. I will repeat that:

And I am confident that we now have the administrative system and competence to make this determination stick.

During this time when the minister was procrastinating and flipflopping and taking shortcuts through facts, we in the opposition, particularly through the hon. member for Hastings (Mr. Ellis), had charged in no uncertain terms that he was wrong about the act. The hon. member raised charges related to mismanagement, financial waste, computer chaos, all within the past two years, but the minister and his officials dismissed those charges. His officials called them distorted, misleading and outdated.

To show how quickly the minister realized he was wrong when he was being pressed, in the first week of February, 1974, when attending a meeting of the Canadian Construction Association he admitted that most of the criticism levelled a year ago or even six months ago was valid. Then he went on to disclose a massive salvage plan. I should like to list some of the plans which the minister wanted to bring in: a closer system of checks for eligibility for unemployment insurance; increased emphasis on manpower training for employees; insistence on an active job search by insurance applicants; expansion of the Unemployment Insurance Commission benefit control staff; new controls on hiring through union halls; incentives to improve the mobility of the work force, particularly in construction.

These were his proposals even though in November he indicated that he had the "administrative system and competence". I hope that these matters to which I have just referred as being matters of salvage will be brought within the ambit of the Unemployment Insurance Act, as well as other matters.

We have long said that we are not happy with and we have never accepted a qualifying period of eight weeks; we have indicated that it should be at least sixteen weeks. We have also indicated that Manpower and the Unemployment Insurance Commission should be merged.

Some hon. Members: Hear, hear!

Mr. Alexander: It seems to me that the minister has been less than honest with the Canadian people in this regard. We must have the truth. Canadians not only are entitled to it but are demanding it. This is why we have continually called for a full-scale, independent inquiry into unemployment insurance. Surely the ever-widening credibility gap and the inconsistency of the minister make such an inquiry mandatory. My party will continue to press for a major independent public inquiry into the unemployment insurance program to clear the air of suspicion and to assess what the program should be accomplishing in the context of over-all Canadian policy.

We believe that an inquiry is more than justified. The unemployment insurance account is now running a deficit of about $509 million compared with 1972 when the unemployment insurance deficit was $174 million. Unemployment insurance benefits last year increased by $16 million over 1972 despite—and I repeat—despite lower unemployment rates and an Unemployment Insurance Commission benefit control program that disqualified an estimated 250,000 people.

The so-called comprehensive review to which the throne speech refers is, in our opinion, not comprehensive enough. First of all, Mr. Speaker, it was not independent and we believe that any review must be independent and not conducted by those at whom the finger of criticism has been pointed. Next, we believe that it should be an inquiry rather than a comprehensive review. The inquiry we are calling for and would like to see would get to the roots of the program and would provide concrete solutions to a number of basic questions. For example, are the fears about abuses and misuse justified? Further, we must resolve the question of whether disincentives to work are built into the unemployment insurance program and, if so, try to determine what those disincentives are and what can be done about them.

We must decide whether the unemployment insurance program is an insurance plan in reality or a welfare plan in which the contributions are simply a new kind of tax. Only a full and open inquiry into the program will provide these answers. Canadians are demanding them, Canadians are entitled to them, and I stand here on behalf of Canadians pleading with the government to give us the opportunity to get to the truth of the matter.

I should like to close by repeating and emphasizing some words of wisdom of my leader. He said:

> Canadians want to see some sense of order, of value and fairness returned to economic and social policy of this country. Those who are seeking work but can't find opportunity for jobs and careers want a government that places high priority on providing such opportunities. Those who are not working because they find it is not worth their while to work deserve a government that will build incentives into an overhauled welfare system.

We await the legislation. But let me say it had better not be a cosmetic effort, it had better not be an ad hoc approach to a very serious problem. If so, I am sure we will just have to look into this matter at more length and more thoroughly than we have in the past. At this time we do not intend to be bamboozled; we want the facts and we want the truth.

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I should like to join with other hon. members of the House in congratulating the Governor General and his Lady and to welcome their unique human qualities to Rideau Hall on behalf of all Canadians. I should also like to congratulate the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier), the mover and seconder of the Address in Reply to the Speech from the Throne. Both made eloquent speeches of committed men.

[Mr. Alexander.]

• (1240)

The House will recall that my budget of February last year had two major objectives. The first was to promote further healthy growth of the economy through the injection of continued strong expansionary stimulus. The second was to do everything reasonably possible to contain the impact of worldwide inflationary forces on Canada that had already reached what I described as "epidemic proportions". Specifically, I forecast that real national output in 1973 would increase by around seven per cent, given fair crops, labour peace and international stability, and that employment would increase by at least 300,000.

Hon. members will also recall that the reaction of the Official Opposition to the budget was one of ridicule and derision, their typical knee-jerk reaction. The Conservative leader described it as a "national sick joke", as a piece of "fiction". He told the House on February 23, as recorded on page 1598 of *Hansard*, that he could not emphasize too strongly that the budget "falls far short of the nation's need for a new era of expansion of productivity". Those who supported it then would have to explain tomorrow why unemployment was still "a lingering curse".

The Conservative's chief economic spokesman, the hon. member for Don Valley (Mr. Gillies), said the budget provided far too little expansion—I use his words, as recorded on page 1559 of *Hansard* of February 22, 1973—"to really move this country ahead, to produce the sort of employment that Canadians have every right to expect and to hope for." As recently as December 10, 1973, as recorded on page 8588 of *Hansard*, he was still bemoaning Canada's "basically poor economic performance" and the lack of growth since the first quarter.

Let me quickly outline the real state of our economy in 1973 so that the House will have an opportunity to compare the facts against Conservative fantasy.

[*Translation*]

The main fact is that the real national product increased by 7.1 per cent last year, despite major labour conflicts during the third quarter and international instability. This figure, matching perfectly the predictions of my budget speech, represented the greatest national product increase since 1956, the most substantial growth in Canada in 17 years—in this regard Statistics Canada was mistaken for it is really 17 years and not 7 years—and perhaps one of the most considerable noted in all industrialized countries. Let us compare that with the dark predictions of low economic growth made by the Progressive Conservatives!

The second noteworthy fact is that this unusual development has helped create 430,000 new jobs in Canada in 1973, 130,000 or 43 per cent more than the minimum growth I had predicted. This figure represents a record increase of 5.2 per cent in employment, which is close to 25 per cent greater than the previous peak, 4.2 per cent, reached in 1966. The average unemployment rate shrank from 6.3 per cent in 1972 to 5.6 per cent in 1973, which is the lowest level recorded since 1969.

[*English*]

Employment in manufacturing during 1973 increased by 111,000 according to estimates in the Labour Force Survey, a rise of 6 per cent. This was the largest increase in

manufacturing employment relatively and absolutely since 1966, when the number of new jobs rose by 122,000 or 7.5 per cent.

Growth of manufacturing employment during 1973 exceeded the total for the whole of the previous six years by 8,000. It represented 26 per cent of the total increase in employment in 1973 of 430,000 or 5.2 per cent.

I am still troubled by the number of Canadians without jobs and I always will be so long as there are Canadians able and willing to work who cannot find employment. But I think I may fairly ask the House to contrast the unsurpassed record of employment growth last year with the grim forebodings and incantations muttered in darkness and in gloom by the Troika, the Leader of the Opposition (Mr. Stanfield), the hon. member for Don Valley and the hon. member for Edmonton West (Mr. Lambert), which all last year came to resemble nothing so much as Macbeth's three witches.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): That is wonderful writing, John.

Mr. Turner (Ottawa-Carleton): The Conservative leader has treked back and forth across the country trying to create the impression that the standard of living of Canadians is being sharply undermined by inflation.

Mr. Lambert (Edmonton West): And is it not being undermined?

Mr. Turner (Ottawa-Carleton): It is quite true that during 1973, for the first time in many years, the increase in average earnings of individual workers has only just about kept pace with the increase in the cost of living. But it is also true that the real standard of living of the great majority of Canadians has further substantially improved, based on the more comprehensive measure available to us of Canadian prosperity.

Over the course of last year the real, personal disposable income of Canadians per man, woman and child in this country, that is to say, the income available after taxes, after discounting the erosion of inflation and adding back transfer payments such as pensions and family allowances and after taking into account the reduction in personal income taxes equivalent to between 12 and 13 per cent as provided in the last budget, rose, in 1973 over 1972, by 6.8 per cent. That is the size of the average, real increase in disposable incomes of Canadians. This follows already exceptional increases of 5.9 per cent in 1971 and 6.7 per cent in 1972.

This increase in real, personal disposable income per capita last year in Canada of 6.8 per cent was half again as much as that in the United States. Since 1970, the average, real disposable income of Canadians has risen by 21 per cent, which is nearly twice the increase in the United States.

To sum up, Mr. Speaker, the Conservatives in February, 1973, were totally wrong in their conclusions about where the economy stood and they remained totally wrong throughout the year about where it was going. But, as I will indicate to the House later, that error of judgment was probably the very least of their follies.

[*Translation*]

I said at the beginning of my remarks that one of the main objectives of the estimates was to do anything reasonably possible to limit the spread of world inflation. Canada did not escape—it could not at any rate in view of the important position it holds in world trade—the effects of this international evil which has taken over the past 12 months such proportions that even the most pessimistic observers had not envisaged them. In spite of our vulnerability to these world inflationary pressures, our price structure has reacted rather better than that of most other countries. Compared with the same period in 1972, our consumer price index showed in December 1973 a rise of 9.1 per cent compared with an average increase of 10.3 per cent for most OECD countries and 9.5 per cent for members of the European Economic Community.

As Minister of Finance, nothing bothers me quite so much as the negative effects of inflation on the budgets and savings of Canadians. This affects all Canadians. Inflation is the No. 1 economic problem of this country, a problem which has been and continues to be a matter of great and serious concern to this government. The leader of the Progressive Conservative Party and his colleagues have tried to convince the Canadian public that our only policy has been one of passive complacency. The truth is something quite different: Canada has taken more concerted and vigorous steps than any other country to limit the effects of inflation, try and protect the real purchasing power of the people who are the least in a position to protect themselves against the cost of living increases, and do whatever is in our power here in Canada to strike at the root of the evil with legislative measures likely to increase the amount of goods available to satisfy the needs of an expanding economy.

[*English*]

Before the outbreak of this energy crisis we expected that expansion of the Canadian economy in 1974 would again exceed long-term growth potential and would be at the upper limits set by available manpower and industrial resources. We expected that there would be some easing of worldwide inflationary pressures as a result of some increase in output of goods in short supply and significant moderation in the growth of a number of industrial nations.

Canada stands to be less affected by problems stemming from potential petroleum shortages and astronomical oil price increases than virtually any other industrial nation. Growth of national production in Canada may fall somewhat short of our earlier expectations, but it could very well match or exceed that of any other industrial nation, not excepting that modern industrial miracle, Japan. Certainly we moved into 1974 with substantial momentum following the substantial real growth in GNP during last year's fourth quarter at an annual rate of 11.5 per cent, matching the upsurge in the same period in 1972 and the first quarter of 1973.

● (1250)

Rapidly expanding capital investment, spurred by the tax measures to assist manufacturers and processors and

reinforced by accelerated outlays on new energy resources, will provide a strong boost to the economy. As the recent OECD survey of Canada pointed out, measures already in force to increase social security benefits to Canadians will help to sustain personal income and consumer expenditures. Because petroleum exports exceed petroleum imports, we should escape from any adverse impact on our balance of payments because of higher oil prices.

But we still face a number of uncertainties. The effect of sharply higher oil prices on global inflationary pressures remains to be seen. Expansion of Canadian exports may be moderated by the effects of the energy crisis in retarding growth of our major trading partners, but by how much it is difficult to determine at this stage. Decisions still remain to be made regarding future oil prices in Canada which bear directly on the level of consumer income and consumer spending and about the division of oil revenues between governments and companies.

[*Translation*]

I proved well enough a while ago that the Progressive Conservative opposition erred completely in its assessment of the state of our economy last year. Small wonder then that it should have been led into compounding the error by advocating economic measures that were absolutely inappropriate and could have had disastrous effects on production.

They themselves recognized it to some extent later on through the hon. member for Don Valley (Mr. Gillies) who, for a while last fall, did a complete turnabout on financial, monetary and exchange matters, as compared with his previous stands. More recently, he started to change direction almost daily, like a weathervane, by proposing opposite economic measures.

A year ago February, as I pointed out previously, the Conservative financial Troika contended the fiscal stimulus proposed in the budget fell substantially short of that required to stimulate strong economic growth. The member for Don Valley (Mr. Gillies) called for a budget deficit on a national accounts basis of more than two and a half times that I projected, or more than $2½ billion. He maintained that Canadian growth would be retarded because of the appreciation of the Canadian dollar to around parity with the U.S. dollar. On February 22, 1973, as recorded on page 1559 of *Hansard*, he said:

We know that in Canada we have never had really high levels of prosperity since the dollar floated up in value.

In a press release issued on behalf of his party on March 21, 1973, the member for Don Valley suggested that monetary policy, in addition to fiscal policy, was also too restrictive. "There is growing evidence," he claimed, "that the Finance Department and the Bank of Canada are not seriously committed to creating full employment and are going to shift both fiscal and monetary policy to fight inflation by constraining demand and stalling maximum job-creation."

It was in a speech to the Empire Club of Toronto on October 25, 1973, that the member made complete and astonishing about-turn. He listed three major causes of inflation in Canada: excessively expansive fiscal policy, when he had been calling for more expansion; excessively expansive monetary policy, when he had been arguing for more expansion; and depreciation of the Canadian dollar along with U.S. currency in relation to the currencies of other industrial nations. He deplored the fact that, in his words, "we continue to follow an expansionary fiscal policy long after it was clear that it was having a strong inflationary force in the economy without doing much about unemployment." I cannot help but wonder, Mr. Speaker, when that became clear to the hon. member.

[Mr. Turner (Ottawa-Carleton).]

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): He deplored what he alleged to be the "easy money policy" being pursued by the government and the Bank of Canada, contending that an increase in credit beyond the real growth rate of the economy was a major contributor to inflation. It was only a few weeks before in the House of Commons, on September 10, 1973, that in the course of pursuing the same theme the member at the same time accused the government of following a "tight money policy" and an "expensive money policy."

Finally, the member expressed grave misgivings about the fact that the Canadian dollar had depreciated along with the U.S. in relation to other currencies, the clear implication being that Canada would have been better off if the Canadian dollar had also appreciated in relation to the currency of our most important trading partner. What then, Mr. Speaker, are we to make of his earlier claim that Canada had never really been prosperous since the Canadian dollar rose to parity with the U.S. dollar?

The Conservative leader has spoken frequently about the fundamental need to pursue "judicious fiscal and monetary policies." Having said in October that our fiscal and monetary policies should be far more restrictive, the member for Don Valley in the House on November 29, page 8257 of *Hansard*, questioned when I was going to bring in "new monetary and fiscal policies so the economy will not slide into a serious recession." At the time I presumed he was now advocating adoption of more expansionary policies. But on December 11 and again on December 13, pages 8615 and 8699 of *Hansard*, he asked whether I believed nothing could be done through fiscal, monetary and exchange policy to moderate inflation. Obviously he was advocating that fiscal and monetary policy should be more restrictive and the exchange rate somehow pressed upward.

I can only conclude, Mr. Speaker, that in the mind of the Conservative party a judicious monetary and fiscal policy is expansionary on Mondays, Wednesdays and Fridays and restrictive on Tuesdays, Thursdays and Saturdays.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Hopefully, on the seventh day they will rest and try to reconcile what they did the rest of the week.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Because they totally failed to appreciate the nature of the global inflationary problem confronting us, the Conservatives also advocated the adoption of specific policies to deal with it that also amounted to sheer folly. Having concluded that inflation

in Canada was caused primarily by domestic cost-push forces, the member for Don Valley last February, as found on page 1561 of *Hansard* for February 22, urged the adoption of wage and price controls. He contended this would bring the inflation rate down to 3 per cent, solving the inflation problem in the way that it was allegedly already solved in the United States. That is what he indicated in his speech. We asked for the Conservative studies on inflationary forces based on cost-push rather than demand-pull. I asked for them through my department. I have not yet received those studies. I wonder how they would contribute to the intellectual economic climate of the country. Where are the studies? If there are studies, why have they never been produced?

Let us have a hard look at the facts. What is the major source of inflation? The recent OECD survey of Canada concluded that it "can mainly be attributed to the price boom on international markets."

As every member is well aware, the prices of agricultural commodities, raw materials and petroleum have increased over the past several months at a rate never before experienced in our peacetime history. Consider a few products traded internationally which we ourselves do not produce in Canada. Over the past year, the price of tin has gone up by 83 per cent, cocoa by more than 90 per cent, coffee by 40 per cent, sugar by 57 per cent, rubber by 85 per cent and rice by 206 per cent. What would the Conservative party do about controlling sharply increased prices for these and many other goods which we import from abroad?

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Are controls effective in containing inflation and promoting healthy economic growth in the circumstances confronting us today of worldwide inflationary pressures—and let me stress that important qualification? It may come as some surprise to Conservatives, but the answer must be a resounding no. In January the year-over-year increase in the U.S. Consumer price index was 9.4 per cent, compared with an increase of 9.1 per cent in Canada. I am not proud of those figures. I just put them on the record. In Britain the cost of living in January was up by 12 per cent over a year ago.

I know the hon. member for Don Valley does not like us to compare the American situation, although he did that last year when it apparently was running favourably for him. His colleague, the hon. member for Simcoe North (Mr. Rynard), on "The Nation's Business" or some other program last weekend, cited the American figures to the best of his ability, the only problem being he did not have the up to date ones.

Not only have controls in those countries failed to have any significant effect in checking inflation, but they have also impeded economic growth. The British economy and British society are perched on the edge of disaster because of labour's militant opposition to controls. The United States is moving rapidly to dismantle what controls still remain in force because they proved only to increase inflationary pressures by creating artificial shortages and to retard economic expansion. Herbert Stein, Chairman of the President's Council of Economic Advisers, told a joint economic committee of Congress recently that the United States had tried the wage-price control "medicine" and found that it gave "temporary relief only, followed by many headaches." Furthermore, he said:

> We know that controls won't stop the inflation; they only offer us more and more shortages and inefficiencies.

The Leader of the Opposition tells us that controls are necessary to dampen down inflationary psychology. Where in the world have they been effective in doing that to the slightest degree? He says they are necessary to overcome growing bitterness caused by inflation. I might observe that if his long round of speeches advocating controls provide no solution to inflation, they certainly contribute to the problem by inciting bitterness and inflationary psychology.

In the United States, Treasury Secretary George Schultz has told a congressional committee—the Senate banking subcommittee—that controls, initially so warmly welcomed, have lost public support. Certainly, controls have served only to create bitterness in Britain. This should come as no surprise to the Conservative leader, who warned us several years ago in a speech at the Agudath, Israel's Mens' Club on January 31, 1971, that controls would cause "untold resentment among groups and individuals who felt unfairly done by, and would result in a climate of constant confrontation." One year after the Conservatives first proposed the adoption of a wage-price control program following a 90-day freeze, we are still waiting to learn just what kind of a program they have in mind, what limit they propose to impose on wage and price increases, and why they consider such a program would be any more effective here than programs carried out in the United States, Britain and other countries in reducing inflation without retarding economic growth. Surely the idea of establishing across the board controls covering virtually all wages and prices in the circumstances confronting us today of strong worldwide inflationary pressure has by now been totally discredited on every count.

I shall conclude in a few moments. Let me underline one simple but important fact. Because they do not bear the responsibility of office, opposition parties are not obliged to accept the consequences of the follies they often urge us to commit. Particularly in the case of the Conservative party, these nostrums and panaceas change from day to day depending on what it calculates might catch the public fancy at the moment. One day they demand we adopt more expansionary economic policies and the next day they tell us our existing policy is far too expansionary. One day they condemn us for even contemplating the adoption of price and income controls and the next they condemn us for not having done so. They continue to try to foist controls on the country long after their ineffectiveness in existing world circumstances has been demonstrated in one nation after another. As Minister of Finance, I do not intend to be pushed into gambling recklessly and irresponsibly with the future of the Canadian economy.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): The plain fact is that there are no simple or easy solutions to the inflationary problems confronting us. As I said before, probably no

other country has taken such broad and concerted action to deal with this situation as we in Canada have already taken by broadening the scope of supply and protecting those who are least able to protect themselves.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I shall not spend any time now in reciting the further important measures we propose to take, measures which are outlined in the Speech from the Throne. Despite all the problems that face us—and we do face problems—despite the erosion caused by inflation—and it hurts—when we look around the world we have reason to consider that we are a fairly fortunate people, and we intend in this government to do everything we possibly can to keep it that way.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hon. member for Edmonton West will be recognized at two o'clock.

It being five minutes past one o'clock, the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I would like to join my sentiments to those expressed by other members during this debate to the member for Spadina (Mr. Stollery) and the member for Sherbrooke (Mr. Pelletier) who, as young members—I say young in the sense of experience in the House—proposed and supported the Address in Reply to the Speech from the Throne. I know that this is a very difficult task. They are often not used to the atmosphere of the House at the beginning of a new session. Thus, the Throne Speech was read in the morning and the speeches in reply the same afternoon. I do not think that this would be the best atmosphere. It seems to me that it would be better to proceed the same day only with the reading of the Throne Speech. Then we could study it. This would be more realistic. We know very well that young members having read the speech in the morning are not ready at 2 o'clock in the afternoon to make serious comments in reply to this speech.

This means that these things were "cooked in advance" and, in this sense, it is unreal.

[*English*]

I should like also to join with others in extending my sincere congratulations to His Excellency on his appointment to office, and to wish him and Madame Léger a very interesting and successful term, and I do not suggest five years as that does not now seem to be the rule. I am sure they will bring their own charm and distinction to the discharge of the functions of that office. I may say that Canada has been more than singularly blessed by the quality of our vice-regal representatives since I came here in 1957, as a matter of fact, after the rule was adopted of having a Canadian act as the Governor General. We know each of those who have occupied that office, and the more recent ones are fresher in our memories. Let me say without disrespect to your predecessor, Mr. Speaker, and mine, who occupied that distinguished position since 1967 when he took over under rather pressing circumstances on the eve of Expo '67, he left his own very indelible impression on the office of Governor General of Canada. We wish both Mrs. Michener and Roly, to some of us, now that he is no longer in office, a very pleasant life in retirement, although I see it is not exactly to be idle.

It was quite an experience to sit here before the luncheon recess and listen to our good friend the Minister of Finance (Mr. Turner) literally whip himself into a frenzy of political fury. He had to whip himself to deliver a speech in which I recognized a number of sentiments and arguments that have been put forward by a number of apologists for the Department of Finance from time to time. In the writing of this speech one can see some fine as well as some rather blunt hands. There was as well some political digging, which is a lot of fun. I am sure he was doing his best to get back one dig for every 10 he gets from this side.

Having looked at the speech as a whole, I note a welcome departure from the high-flying but clearly empty phrases of last year. We now find a compendium of proposals or promises delivered with one eye on the political horizon. Perhaps I should not say "one eye", I should say that the Prime Minister (Mr. Trudeau) and his cabinet prepared this throne speech staring bug-eyed at the political horizon. They have come up with the simple phrase "Ask and you shall receive", because this is the basis on which they are giving handouts here and handouts there. We must remember, however, that there is a good deal of distance between promising and delivering.

It is clear from the speech of the Minister of Finance that if he had not spent so much time trying to get in political licks he might have given the country what is required of the Minister of Finance at this time. He indicated he would be making a report on the situation regarding the International Monetary Fund, the Canadian dollar and the value of gold. These are the things on which the Minister of Finance should be reporting. Instead of that, he presented some cheap arguments about certain statements researchers dug up out of context from speeches and questions by my colleague the hon. member for Don Valley (Mr. Gillies).

The key to this throne speech will not be, as suggested by the Prime Minister, the docile servility of this House in accepting and passing government proposals, not at all. We will look for what is contained in the budget, the proposals the Minister of Finance (Mr. Turner) will make in order to raise the money to pay for all the promises contained in the Speech from the Throne because we have seen that the government is distributing largesse on the basis of "ask and you will receive". This involves a great deal of money.

● (1410)

Although I cannot do so this afternoon in the time allotted to me, I could take up twice the amount of time allotted on subjects which I think should be discussed, such as inflation, regional development and unemploy-

ment. I would have liked to have gone into the subject raised by the hon. member for South Shore (Mr. Crouse) concerning Canada's relations with Taiwan and some of the things we were able to see during the recess. I would have liked to have gone into the relationship between the government and Canadian participation in the deliberations of the Council of Europe, which I heartily support because this gives members of parliament an opportunity to speak to their opposites in the parliaments of Europe. This is the only place where there could be a dialogue between members of this parliament and members of the Assembly of the Council of Europe which in its membership as observers goes much beyond the United States, which has had observer status there for a long time. We are invited to assume that position of observer. The hand of invitation is out. I think it is up to Canada to respond affirmatively. There is no question that Canadian contacts around the world on a ministerial or government basis are far too narrow. I think a greater role can be played by members of parliament from all parties. This is the kind of forum if you like, the kind of arena, in which members of parliament from this House and senators from the other place could exchange views without being tied by government positions. This is terribly important.

I could talk about industrial strategy and about national unity. At the moment there is a great deal of malaise in the national body. Many people say it is a sense of regional alienation, but it is only because they have become aware of an already existing inequality. The favourite whipping dog in this field of alienation over the past decade was the province of Quebec.

[*Translation*]

In the province of Quebec, it was a cultural, a linguistic situation, but never an economic issue. There was never any argument on this point. Moreover, the claims of Quebec barely touched the economic situation.

Mr. Bell: That is true.

Mr. Lambert (Edmonton West): Now, we get to western Canada. There, the sense of injustice and alienation is purely economic. I suppose some of it may be a little geographical, but primarily it is economic. But that has been a grievance for a long time. As a young man I was aware of many of the arguments which basically exist today although in more modern dress, such as freight rates, the cost of manufactured goods from central Canada and so on. Now, there is the fact that there is a price freeze—yes, a price freeze—on an essential commodity, 85 per cent of which is produced in the province of Alberta. This has been imposed without consultation by central Canada on the basis apparently that there should not be windfall profits to those who are exploiting the resources. I intend to ask the Minister of Finance why he and his administration do not move in on the gold mines of Ontario and Quebec which have the major monopoly on the production of gold in this country. At today's prices if there aren't windfall profits in gold then the whole situation is crazy. There are no windfall profits with regard to oil.

In this situation, oil was seized upon as a convenient whipping boy, and there must be a great deal of careful negotiation. There is no way that, shall we say, the benefits of a below-world price on this commodity in Canada is to be loaded on the backs of Canadians who happen to live in Alberta. If that were done, then I think the people of western Canada could say, do it with regard to lumber because those people pay world prices for lumber, or do it with regard to nickel because they must pay the world price for nickel. Also could we not do it for steel, because they pay the world competitive price for steel. The arguments used by the government in this connection are as empty as a hollow egg shell.

I suggest that in order to justify just what shall be a Canadian position, a negotiated Canadian position, there are other arguments which must be used. I will admit that in many areas there has been a sense of isolation and injustice, but this has existed for a long time. It is the oldest cliché in Canada to say Canada is a hard country to govern. Let us get on with it and try to change the pattern. I think we require a national mobilization of effort to master inflation at the present time. To counter inflation we get bandaids and blow-out patches applied from time to time by the government of Canada whether or not they suit the purpose of any provincial government. Whether or not it suits the purposes of such governments in any region of Canada, the government of Canada moves in without consultation and unilaterally takes those steps it has decided upon.

Although the impact of any policy may not be too bad in, say, Ontario, it could be disastrous in the Atlantic provinces. It may not affect Alberta very much and yet the neighbour in Saskatchewan may be hard hit. That is not the way to proceed. In this whole area of combatting inflation an industrial strategy must be developed. The situation today is an indication of the bankrupt performance by the government of Canada and the provinces. I will not entirely absolve the provinces because there is a bankruptcy of leadership in this country with regard to industrial strategy as a whole. It is a dog-eat-dog operation. The leader of the dogs is the program on regional and economic expansion. Action is taken without consideration of the aspirations of the provinces. It is usually done with an eye to the political climate and the political return. We know it is on the basis of beggar thy neighbour in many instances. A plant is established in one province so that one of a similar nature may be closed in an adjoining province. It is strictly on that basis. However, I shall have more to say about this on a later occasion. We receive complaints from the provinces that it is either economic clout that is used to back up the government's action or just plain bullying, such as the attempts at bullying we have had in respect of the marketing of oil.

● (1420)

During the last month we have seen that "brain trust" in the cabinet, the Minister of Supply and Services (Mr. Goyer) come out with a program that was filched directly from the Hudson Institute—the statistics were quoted directly from the compilations of that organization—for the development of the tar sands. The government of Canada would borrow capital from various countries and the tar sands would be developed on a crash basis over the next ten years. Thousands of Korean labourers would be imported.

Yet the minister is speaking on behalf of a ministry which has absolutely no jurisdiction over the tar sands or over the development of them. Only the government of the province of Alberta or its appropriate agency, the energy conservation board, has any say about whether a shovel will be put into the ground. There is no doubt that the federal government can tax the product in the end, but as for the development and the marketing of any oil produced it cannot say one thing about one barrel or drop marketed within the province of Alberta.

If anybody should think that the federal government is able to move unilaterally into the development, or participate in the development, of those tar sands within the confines of the province of Alberta without the consent and co-operation of that province, then there is absolutely something wrong with their thinking. The federal government could no more do this than they could say they were going to develop a gold mine in the province of Quebec without the consent and co-operation of that province. The permits would have to be issued by the appropriate government, which would be the government of the province of Quebec in that case. Yet we seem to be assuming that this kind of development will be done unilaterally.

I wanted to talk about inflation, Mr. Speaker. This morning the minister seemed to say that he had pulled out all the stops and touched all the bases of sympathy regarding the effects of inflation. But the net result has been that the government has not done a thing effectively to counter inflation.

Let me just take a look at the situation. In 1968, when the Prime Minister (Mr. Trudeau) and his then administration took office, the consumer price index for all items stood at 120.1. In October of 1972, when this particular administration took over again, the consumer price index stood at 142.0. By January of this year it had risen to 157.6. When the minister became Minister of Finance in January of 1972 it stood at 136.7.

I can go down through various items, such as food and shelter. Food stood at 122.0 in 1968, in 1972, October, it had risen to 145.3, and in January of 1974 it was 174.0. Shelter in 1968 stood at 124.6, increased to 160.5 in October 1972 and in January of 1974 stood at 173.8. We have seen increases each year.

Let us look at the performance of the minister, and particularly at this self-congratulatory budget of which he spoke. He must have sprained his shoulder patting himself so hard on the back for his predictions and for the measures taken by the government in 1973.

Mr. Turner (Ottawa-Carleton): That budget speaks for itself.

Mr. Lambert (Edmonton West): Yes, Mr. Speaker, it certainly does.

Mr. Turner (Ottawa-Carleton): Look at the results.

Mr. Lambert (Edmonton West): Let us look at the increase in the price index. In the first quarter of 1973 the increase was 5.9 per cent over the preceding quarter. In the second quarter it was 7.3 per cent; in the third quarter 8.2 per cent, and in the fourth quarter 9 per cent. So, it speaks for itself. The rate of increase has been not quite double.

Mr. Turner (Ottawa-Carleton): What about the increase in jobs?

Mr. Lambert (Edmonton West): I am glad the minister reminded me of that.

Mr. Turner (Ottawa-Carleton): And growth.

Mr. Lambert (Edmonton West): Jobs are the most artificial statistic you could possibly have. Because there is no indication how long a job lasts. An individual can come on a job that lasts two weeks, stand down, and then a new person is hired in the same job. Statistically that is classified as a new employment.

Mr. Turner (Ottawa-Carleton): Oh, come on.

Mr. Lambert (Edmonton West): The minister shakes his head but he knows that is true. There is no true measure of jobs other than by putting some measure on the length of a job before it can be considered a new job; for example, that an employment shall last for three months or six months. I defy the minister to say that that is the criterion at the present time, because I know it is not. As a matter of fact, these job starts can be as artificial as a rolling engagement of one week—a start and a stop, a start and a stop. These are all classified as new jobs.

Mr. Turner (Ottawa-Carleton): That is not the way it works, Marcel.

Mr. Lambert (Edmonton West): It certainly does.

Mr. Turner (Ottawa-Carleton): There have been almost half a million new jobs.

Mr. Lambert (Edmonton West): The minister says half a million. With our mobility of labour today, with stops and starts, summer jobs, and so forth and so on, these are all part and parcel. You would never see, Mr. Speaker, such a collection of garbage can items as you see in this particular statistic relating to new jobs.

Mr. Baker: Just like the budget speech.

Mr. Lambert (Edmonton West): The minister spent a great deal of time deriding the Conservative position on an incomes policy, saying it does not work here and does not work there. On the other hand, he cited with great self-satisfaction, and out of context, the last report of the OECD. I had the privilege of participating in the debate in Strasbourg with Mr. Van Lennep of OECD on this self-same report, and I invite the minister to read the whole of Mr. Van Lennep's commentaries about Canada and the dangerous situation prevailing here.

The minister spent a lot of time this morning saying it was too bad that people do lose their life savings, pension and insurance plans and all that when we have inflation at a rate of 9 per cent to 10 per cent this year. The decks were awash with the minister's tears. He referred to the inflation rate in England, their value added tax and so forth. I was in England this year and I know what the situation is. I was on the continent as well and they do have inflation.

But what comfort is it, Mr. Speaker, for a man to tell his neighbour: "You have a telephone pole in your eye, but never mind the fence post in mine, we are both blind"? That is the type of consolation the Minister of Finance is offering the people of Canada.

I invite the minister to express some real concern for the backbone of the taxpaying public of this country, those people who have insurance plans. After all, Canada prides itself on the amount of savings that go into insurance schemes. But today it is worthless to go into that. It is even worthless to put money into the minister's own savings plan, the Canada savings bonds. Last year the investor lost over 2 per cent by investing in a Canada savings bond. Is that any encouragement for savings? Insurance programs loom very largely here in Canada, to provide security for individuals and families, and to provide investment funds for Canadian industry. But inflation at a rate of almost 9 per cent and 10 per cent hurts insurance.

● (1430)

I have spoken on inflation since 1968. I remember the crisis of February, 1968. It was a crisis of inflation. The government had to take certain actions, and people beat their breasts, protesting that there would not be any increase in government expenditures. We all remember those days. But what have we seen since? The other day the minister's colleague said there was an increase of only 11 per cent in the estimates he tabled.

Mr. Turner (Ottawa-Carleton): You wanted to double them last year, Marcel.

Mr. Lambert (Edmonton West): I will tell the minister what he conveniently forgets. He conveniently forgets what I said at that time—

Mr. Turner (Ottawa-Carleton): I don't. I remember.

Mr. Lambert (Edmonton West): —that to deal with unemployment at that time we required a massive program of government development, with satisfactory controls. The minister forgets that point.

Mr. Turner (Ottawa-Carleton): You underestimated the economy last year.

Mr. Lambert (Edmonton West): Underestimated the economy?

Mr. Turner (Ottawa-Carleton): You certainly did.

Mr. Lambert (Edmonton West): Mr. Speaker, the minister gave his figures. They were not in constant dollars. They were in current dollars, with 10 per cent inflation in them.

Mr. Turner (Ottawa-Carleton): There was real growth.

Mr. Lambert (Edmonton West): Real growth!

Mr. Turner (Ottawa-Carleton): Seven per cent.

Mr. Lambert (Edmonton West): Not 10 per cent, seven per cent is the predicted growth.

I will hold the minister accountable to me for not speaking about the International Monetary Fund. What has happened to the efforts to reform international monetary relations? What about the meeting in Rome? Why has the government changed policy since February, and relaxed its efforts to maintain parity with the U.S. dollar? That has to be a change of policy. I am not criticizing it, but where is the explanation? What was the degree of intervention by the Bank of Canada in the international monetary field during the past year in order to maintain parity? Did we have a clean float, or was it tattle-tale grey, or almost miners' black?

I know that I have almost exhausted my time, Mr. Speaker, and there are still many things I wished to mention. But will the minister please shortly make a statement on what is being done with regard to the review of the Bank Act? The Bank Act has to come up for renewal in 1976.

An hon. Member: 1977.

Mr. Lambert (Edmonton West): A lot of hard work has to be done. I want to ask the minister to tell us about the silly proposal included in the Speech from the Throne, which is an off-the-cuff offer from the Prime Minister to let someone, primarily Premier Barrett, get his itchy fingers on the Bank of British Columbia. There are some doubtful statistics. As a matter of fact, no one has demonstrated the thesis on which these so-called provincial banks should exist. In any event, provincial government ownership of banks should come only with a total review of our banking system.

There may be a case for it in some places where we know there are institutions that act much like banks—for instance, the Alberta Treasury Branches.

Mr. Turner (Ottawa-Carleton): Exactly.

Mr. Lambert (Edmonton West): But when the government had the opportunity under the deposit insurance legislation to make those people come in, it went on craven knees to the provinces and asked them, "Please, please come into this program." The totality of our banking system and of credit institutions has to be reviewed. To add this complication at this point is ill timed. To bring it in at this time is just for the birds, but again geared with an eye to political support.

Mr. Turner (Ottawa-Carleton): Oh, don't say that.

Mr. Lambert (Edmonton West): It is just on the basis of obtaining partisan support from the NDP. I simply say that it is a very poor way to run the country.

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in the speech which the Prime Minister (Mr. Trudeau) made in this debate last Thursday he likened the NDP members to seagulls who, because they are squeaking and making a lot of noise, act as though they were running the ship. I think the Prime Minister should be aware of the fact that the message which the seagulls are trying to convey to him can be summed up in the

words of the English poet, Alfred Noyes, "Captain, art thou sleeping there below?"

I was interested to listen to the Prime Minister and the Minister of Energy, Mines and Resources (Mr. Macdonald) reciting with some pride a catalogue of steps which the government has taken during the past 12 months to protect Canadian consumers during the oil crisis. However, they neglected to state that every one of those proposals was put forward by the members of the NDP—

Mr. Turner (Ottawa-Carleton): Oh, come on.

Mr. Douglas: And they also neglected to state that all of those proposals were at first rejected by the government, and belatedly accepted and implemented by the government.

Some hon. Members: Hear, hear!

Mr. Douglas: When the Minister of Finance (Mr. Turner) shakes his head—and I can hear it from here—

Some hon. Members: Oh, oh!

Mr. Douglas: —I would just like to remind him that it was the members of this party who, in January of last year, advocated putting domestic controls on the export of oil. The government said there was no need to do that, and then imposed them on March 1.

It was the members of this party who advocated export controls on gasoline in April. And the government finally implemented them later in June. It was the members of this party who, in May, advocated a price freeze on domestically produced oil, a two-price system, and an export tax to pick up the windfall profits. And the government put those into effect on September 6. It was this party which first proposed, and for years had been proposing a pipeline to Montreal, which the government's energy report tabled in this House last June rejected, but which the government accepted and the Prime Minister announced on September 6. It was this party first put forward the proposal for a one-price system across the country, which the Minister of Energy, Mines and Resources said was completely impractical, and which the government has now adopted.

I think that when the people of Canada review the steps that have been taken with respect to the oil crisis during the past 12 months they will be inclined to say, "Thank God for the seagulls."

Some hon. Members: Hear, hear!

Mr. Douglas: There are three major oil policy decisions which must be made during this session of parliament. Our failure to face up to them will wreak havoc in our economy, and create untold hardships for the people of Canada. The first of these policy decisions has to do with fixing the price of crude oil in Canada. The present voluntary price freeze will end on March 31 and has to be replaced by a new pricing policy which the Minister of Energy, Mines and Resources (Mr. Macdonald) described on March 1, at page 83 of *Hansard* for that date as follows:

● (1440)

> . . . a proposal for a one-price oil system in Canada which, from the first of April this year, will keep Canadian prices at less than international prices but which will provide the revenues necessary to first find and develop new resources and to offset the higher costs of oil imported into eastern Canada.

[Mr. Douglas.]

Mr. Speaker, I draw attention to the words "revenues necessary to first find and develop new resources" of oil. The question that this parliament will have to settle is, who is going to get the revenue from this proposed price increase to find and develop new resources of oil? Is it to be the oil companies? I point out that the oil companies do not need more money. Before the price freeze went into effect they had secured an approximately $1 per barrel increase which brought them revenue of something in the nature of $700 million annually.

I note that the President of Gulf Oil says that the government of Canada will have to pay them some $400 million just for the months of February and March. It is interesting that the Minister of Industry, Mines and Resources admitted in a speech last Friday that it would probably be in the neighbourhood of $300 million, or perhaps more. What is the justification for that? Has any analysis been made of what they are paying for this oil and what the markup is on this imported oil?

The fact is, Mr. Speaker, that oil profits are a national scandal at a time when this country faces an energy crisis. Look at the figures: Imperial Oil's profit up 45 per cent, Shell up 43 per cent, Gulf Oil up 58 per cent. Mr. Jerry McAffie said very proudly that these were the highest profits that Gulf Oil had enjoyed in all its history. For the fourth quarter of 1973, the profits of oil companies increased by 46½ per cent. All this profiteering at a time when we are in a national crisis, Mr. Speaker, when Canadians are being asked to tighten their belts and when the workers of this country found in 1973 that their share of the gross national product actually declined while corporation profits as a share of the gross national product increased.

In his speech last Thursday the Prime Minister made a statement that I hope will be engraved in stone as it ought to be. At page 33 of *Hansard* for that date he said:

> We will not allow corporate profiteers and gougers to pile up windfall profits at the expense of the people of Canada.

Mr. Speaker, I like the words: I am waiting to hear the melody. I say to the Prime Minister, through you, Mr. Speaker, that the profiteers and gougers are profiteering and gouging right now. What does your government intend to do about it? If one could judge by the statement of the Minister of Energy, Mines and Resources, they not only do not intend to do anything about it, they are going to enable the profiteering and gouging to go on at an accelerated rate under the guise of encouraging oil development and exploration. The government should institute a full scale public investigation of oil profits before they agree to any increase in the price which is to be paid to the oil companies. Even in the United States the Senate has had an investigation into oil profits and that revealed a situation in companies like Exxon which borders on economic piracy.

As a matter of fact higher prices to the oil companies is no guarantee of increased exploration and development. They have made good profits and yet drilling has decreased in western Canada during the past three years. It is estimated that $1 billion per year of profits from

western oil has gone elsewhere for exploration. These companies get depreciation allowances, depletion allowances and reports show that they pay less than 6 per cent tax on their book profits.

We in this party contend that the only justification for higher oil prices is to secure revenue to develop oil resources for Canada under Canadian ownership and control. Any increase in the price of oil should go to the treasuries of the oil producing provinces and to the federal government to be used to develop the oil sands and the frontier oil under public ownership and within the control of the Canadian people.

That brings me to the second policy decision which the government will have to make in this session and that is one regarding a national petroleum company. The New Democratic Party were the first to advocate the establishment of a national petroleum company which would have three main functions: First, to be the sole purchaser and seller of all oil products consumed in Canada; second, to purchase one or more of the major oil companies to provide competition in the oil industry; and third, to participate in the development of the oil sands and frontier areas alone or in conjunction with the provincial governments concerned.

The Prime Minister announced that the government was accepting the concept of a national petroleum corporation on September 6, last. We were skeptical of the government's intentions then and we are more skeptical now when we examine the statements of the Minister of Energy, Mines and Resources.

Let me point out first of all that according to the minister's statements, the national petroleum company will not—and I emphasize "not"—take over a major oil company engaged in refining and marketing but only in exploration and development. He made a statement to a Liberal constituency meeting of York-Scarborough held last Saturday night which, the *Globe and Mail* of March 4 has reported as follows:

> Asked about plans for a national petroleum corporation he assured questioners several times that there is no intention to get involved in an integrated oil marketing operation. "He said if the corporation buys an existing company it will be one engaged in exploration and development of oil-bearing land, not one that refines and markets petroleum products".

Mr. Speaker, I want to ask, where is this exploration and development going to take place? The millions of acres that are likely to be oil-bearing or gas-producing are already hypothecated to the multinational companies through permits and leases. If all the national petroleum company is going to be is another small company drilling for oil on Baffin Island, I say to the minister—forget it! This is a time for a frontal attack on the oil and gas cartels that have ravaged our resources and exploited our people. There is no time for the government to get into the oil business by the back door. We must start by taking over the largest of the companies, Imperial Oil, which would give a national petroleum corporation access to the oil fields, refineries and control of the interprovincial pipeline.

I should also like to point out, Mr. Speaker, that this national petroleum corporation as outlined vaguely by the Minister of Energy, Mines and Resources will not—and again I emphasize "not"—participate in the development of the oil sands nor prevent those resources from falling under the control of United States oil companies that already control 91 per cent of our production and 99 per cent of our oil refining. In his statement to the House last Friday the minister said, as recorded at page 86 of *Hansard*:

● (1450)

> While the major thrust of this corporation will be in the form of exploration in the frontier areas, we are of the view that it should also contribute to the development of the large petroleum resource existing in the Athabasca oil sands both through mining techniques and through in situ extraction methods.

I draw the attention of the House to the words, "both through mining techniques and through in situ extraction methods." Apparently the minister has no thought of the National Petroleum Corporation going into the production of oil in the Athabasca tar sands. This is the usual Liberal technique. The public company will spend public funds for the engineering and research and then turn their findings over to the oil industry, who will then gouge the Canadian people for the privilege of using their own oil. So far as I am concerned, I am not prepared to accept a national petroleum corporation which is merely a bird dog for the major multinational oil companies. I have no intention of becoming a partner in perpetrating a cruel hoax and transparent fraud on the Canadian people.

That brings me to the third policy decision which will have to be made by this Parliament during this session. We must determine who, and under what circumstances, is going to develop the Athabasca oil sands and heavy oil deposits. I cannot believe that the government does not know how serious the oil situation is in this country. When I recall how they were misled, and in turn misled the country, about gas reserves in 1970, as revealed by the former Liberal cabinet minister Eric Kierans, it is quite possible that the government is being deceived again.

Recent studies which will be published shortly show that conventional oil reserves in this country could be exhausted in less than ten years. They also show that by 1980 Canada could have a deficit of one million barrels per day between supply and demand, if the present rate of Canadian consumption continues and if we continue to export Canadian oil at the same rate as we are exporting it at present. There is no possibility that sufficient oil will be on stream from the oil sands or the frontier areas to meet a deficit of those proportions. This country is in a race against time. We are racing to see whether we can develop new sources of oil before our present conventional sources are completely exhausted. The real energy crisis—at present we are suffering from a crisis of delivery—is going to hit this country in five or six years.

What steps should we take to meet this threatened crisis? I suggest we should do three things. First, we should begin now conserving oil and gas consumption. Many electrical generating plants could be switched to coal or other fuel for generating electrical power. Second, we should begin phasing out our exports of oil and gas. It is only fair to tell the American people what lies ahead. We should phase out our exports in such a way as to give them adequate time to secure other sources of supply. Third, we should begin immediately negotiations with the

provinces, to start development of the oil sands, with a very substantial component of public ownership. The federal government can offer inducements to the provincial governments to participate in joint ventures with it and the oil companies, if those companies are kept in a minority equity position, in developing this vast reservoir of oil which can be the salvation of Canada.

We, in this country, sold our birthright with regard to the production of conventional oil and conventional gas. Our predecessors might have pleaded ignorance; we cannot. In view of our experience of how the world oil cartel has exploited both producing and consuming countries alike, posterity will never forgive us if we allow the Athabasca tar sands to fall under foreign control.

It will be argued that the development of these sands will take large amounts of capital. I say, Mr. Speaker, that if capital is a problem, then we should postpone any consideration for constructing the Mackenzie pipeline. With proper conservation, we will not need gas from the Mackenzie Delta for another ten years or more. The Prime Minister's commitment to go ahead with the Mackenzie pipeline, made on September 6, was purely an attempt to conciliate the United States. Remember, 82 per cent of the drilling in the Arctic produces American gas, only 18 per cent produces Canadian gas. The only purpose for spending $5 billion building that pipeline is for supplying natural gas to the United States. Canada probably has between 23 and 25 years of gas reserves. If we needed to look into the Mackenzie pipeline proposal for gas to meet Canadian needs, we could begin those studies about ten years from now.

I suggest that the $5 billion which we would be called upon to spend on the Mackenzie Valley pipeline would be better spent in developing the Athabasca oil sands. By building one plant every 18 months with an average capacity of 125,000 barrels per day it is just possible that we could have sufficient oil on stream, if we conserve our consumption and our exports, to meet our own requirements in 1980. I say that anything less than the development of the Athabasca oil sands and heavy oil deposits in Saskatchewan under Canadian ownership and control will be a betrayal of Canada and an insult to posterity.

Certain proposals have been made by Mr. Herman Khan of the Hudson Institute and his think tank. Since we do not have to take advice from Mr. Kahn, nobody worries much about it. But I am alarmed to note that his proposal was picked up by the Minister of Supply and Services (Mr. Goyer). The minister has been going around this country saying that it is going to take $20 billion to build ten plants in the Athabasca oil sands; that we should do that by borrowing the money in the United States, Japan, Germany and wherever we can get it; that we should bring in Korean labour or labour from wherever you can get it so long as it is cheap; and that we should pay these countries back, says the Minister of Supply and Services, in oil.

What does this mean, Mr. Speaker? It means that the Minister of Supply and Services is advocating the alienation and the hypothecation to other countries of oil from the oil sands of Alberta. Those oil sands contain reserves larger than the oil reserves of the Middle East. He would hypothecate that oil to foreign corporations. It means, secondly, that $20 billion of that oil will be hypothecated to other countries and not to the Canadian people, to whom the oil belongs.

[Mr. Douglas.]

Surely this is a preposterous proposal. But the government says, "Ah, the Minister of Supply and Services is speaking on his own, as a private individual." Mr. Speaker, since when do cabinet ministers, members of the Privy Council, speak on their own? A minister cannot separate himself and say that he speaks as a private individual and not as a minister of the Crown when he discusses public questions. The Prime Minister has a responsibility to this country either to tell the people of Canada that the policies being enunciated by the Minister of Supply and Services are the government's policies or to tell the minister to shut up. It is just possible, however, that the minister is not speaking out of turn. It is possible the minister is flying a kite for the government. It is possible the government has in mind one of the grand sell-outs which have characterized the Liberal party down through the decades.

● (1500)

I say the Prime Minister has a responsibility before many days have passed in this House to tell the people of this country who is going to develop the Athabasca oil sands and under what conditions. What steps does the government intend to take to ensure there will be a public component in the development of those oil sands? What steps does the government intend to take to make sure that the control of this last great reservoir of oil will not fall into foreign hands as have both energy resources and other nonrenewable resources?

I want to say in closing that the New Democratic Party will oppose with all the power at its command any step to turn over this remaining oil and gas potential to foreign monopolies. A recent Gallup poll showed that an overwhelming majority of the Canadian people want Canadian ownership and public ownership of our oil industry. If the government fails to take steps along this line, I say that they will lose and deserve to lose, the confidence of the Canadian people.

Some hon. Members: Hear, hear!

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I wish to join my colleagues, the Leader of the Opposition (Mr. Stanfield) and other members in congratulating Their Excellencies, Mr. and Mrs. Jules Léger, on the assumption of their very high function. I also join previous speakers in complimenting the hon. member for Sherbrooke (Mr. Pelletier) who seconded a motion to move the address and, of course, the original mover, the hon. member for Spadina (Mr. Stollery), who gave such an eloquent address.

My reason for speaking during this debate is to make reference to the government's program relative to the promotion of equality of opportunity for women generally in our Canadian society and to enlarge upon references made in that connection in the Speech from the Throne. In particular, I want to concentrate on the government's program to improve the status of women.

We regard it as a challenge to the government and to society as a whole, to work toward an evolution of roles to enable both males and females to play fully their part in

the family and in society according to their individual choice. Each individual should be encouraged to discover and fulfill his or her own unique potential and identity without the constraint of society's presumptions. Women must not be treated as members of a group on the basis of some assumed average characteristic if they are to be allowed to realize their own potential. More than a token gesture, more than just what is required by law, a whole change in attitude is needed if the barriers preventing them from participating and contributing to all aspects of human activity are to be removed.

The government has in recent years strived to create public awareness of the problems facing women today, has continuously advocated equal opportunity for women in all fields of life and has worked toward the elimination of discrimination as a prerequisite for the improvement of the status of women. Our efforts are beginning to bear fruit. During the past year increasing attention has been given to this question by the public.

Throughout this period I have had the privilege of being assigned the responsibility for co-ordinating government activity on the status of women. I have taken every opportunity offered me to bring the concerns of women to the attention of my colleagues and to interpret women's needs to them, and I have received their constructive co-operation in my task. One step forward of which I am justly proud is the establishment of the Advisory Council on the Status of Women. This council has, in its first year, made many valuable recommendations to the government and has become a focal point for the aspirations of women everywhere in Canada.

Despite our achievements to this point, however, we recognize that much more has to be done in the field of legislation as well as changing attitudes. Two recent decisions of the Supreme Court of Canada have made this abundantly clear. I refer of course to the Murdoch case and to the Lavell case.

In the former, the Murdoch case, a woman who had worked with her husband building up a substantial farming property from nothing was denied any interest in that property when she separated from him. All that she was able to obtain was maintenance payments of $200 a month. The decision brought home to all of us the vulnerable position of women who spend all their lives doing what is expected of them as wives, tending to their husbands and children and maintaining their homes while their husbands produce an income. In the case of farm wives such as Mrs. Murdoch, the injustice of the situation is particularly apparent, since they usually contribute directly to the development of the farm.

In other cases, such as wives of wage-earners or businessmen, the wife's role may be less direct. But surely, however a couple has decided to divide the various duties and responsibilities of living between them, the time has come to recognize that both partners contribute in one way or another to the acquisition of their assets and, therefore, both should have an interest in those assets. While jurisdiction with respect to matrimonial property is, I think, largely with the provinces, we in the federal government are concerned and a study of this matter, particularly as it applies to distribution of assets following divorce, has been undertaken by the Law Reform Commission.

The other Supreme Court decision, the Lavell case, has pointed out the limitations of the Canadian Bill of Rights in protecting women against discrimination. The government is determined to act to provide new protection. First, as mentioned in the throne speech, the legislation to be introduced creating a Federal Commission on Human Rights and Interest will include provisions to protect women from discriminatory practices. This will incorporate the prohibition of discrimination on the basis of age, sex and marital status in the field of employment, which I originally announced would be added to the Labour Code. Our purpose in putting the employment provisions in the human rights legislation is to avoid the duplication and confusion which would result if the various fields in which discrimination might exist—employment, services, and so on—were covered by different pieces of legislation administered by different bodies.

● (1510)

Our second attack on discrimination will be through the amendment of existing legislation to provide equal treatment for men and women. The Speech from the Throne referred to the Canada and Quebec pension plans and the agreement reached with provincial governments to amend the legislation in this respect. Presently, as hon. members know, these pension plans require everyone to contribute on the same basis but contain differing provisions with respect to benefits payable to the survivors of male and female contributors.

Another act which has received a great deal of attention is the Canadian Citizenship Act. My colleague the Secretary of State (Mr. Faulkner) will be introducing legislation to amend this act so that among other things men and women will be given equal status.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): In addition, an omnibus bill on the status of women will be placed before the House with the object of removing from a number of other acts provisions which are presently discriminatory, or otherwise prejudicial to women. Examples of these acts include the Canada Elections Act, its provisions with respect to the listing of electors; the Immigration Act, particularly its reference to "head of family" and the acts relating to pensions and allowances for veterans. Changes will be proposed in these and other measures.

I turn now to the position of women who are public employees. The President of Treasury Board (Mr. Drury) will be proposing amendment to the Public Service Superannuation Act and related acts to provide for equal treatment of men and women in pension plans.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): The Treasury Board already has a program under which to review all regulations, directives and other regulatory measures with a view to removing inequities in them based on sex.

Mr. Stanfield: What about rug ranking?

Mr. Munro (Hamilton East): Hopefully these provisions will end that very unfortunate situation which occurs all too often. A new relocation directive and a revised foreign service directive have already been issued and amendments have been made to such regulations as those covering conditions and terms of employment in the public service and payments to estates.

The government's endeavours to ensure equal opportunity to its women employees have been outlined on a number of occasions. One of the important elements of the program was the cabinet directive addressed to deputy heads of departments in April, 1972 directing them to undertake steps to encourage the assignment and advancement of more women into middle and upper echelon positions. We shall now be directing a request along those lines to Crown corporations.

All these activities are designed to meet the objective set out in the Speech from the Throne, that of creating a society free from discrimination. However, as I indicated early in my statement, more than government legislation is required. The recognition of society in general of women's changing status is a pre-requisite of true equality. It is with this in mind that the government is developing its program to celebrate Women's Year in 1975. That year has been designated by the United Nations as one in which efforts will be made to promote equality of women in all aspects of society. We in Canada have decided to take advantage of the United Nations proclamation in order to give special emphasis to the changing attitudes of women, and changing attitudes about women. Preliminary planning has begun. An inter-departmental committee has been meeting for some time and a special secretariat to implement the program is being established. Consultation will be undertaken in the near future with provincial governments as well as non-government organizations. A major part of our program will be designed to reach those in the community who have not yet been involved, both those whose lives are being affected by the changes and those who are in a position to effect those changes. The main element will be a series of regional and national conferences as well as an informational and education campaign involving the public media.

Knowing how important is the role of non-government organizations, especially of the many women's organization's which have been fighting for changes over the years, we shall also be making available to these groups increased financial assistance for the development of special projects for International Women's Year. Within the federal government, each department and agency will be undertaking special programs and realigning priorities in 1975 to promote equal opportunity for women both in their programs as they affect the public and for their women employees.

On the international level, the role of the Canadian government in improving the status of women has received particular recognition. Canada has been asked by the United Nations to host an international seminar during the summer of 1974. The experts will concentrate on elaborating a model of permanent machinery at the national level for improving the status of women and promoting equality of the sexes at all levels of society. This seminar will form part of the United Nations advisory services program in the field of human rights. In addition, every attempt will be made to increase the number of women representing Canada at international conferences of all kinds.

It is hoped the activities foreseen for International Women's Year will heighten the awareness of the people of Canada of the new role of women and indicate the government's support of it.

Hon. J. A. MacLean (Malpeque): May I first of all join with the Minister of Labour (Mr. Munro) and others who have spoken in this debate in extending congratulations to Their Excellencies on taking up their new responsibilities and also to the mover (Mr. Stollery) and seconder (Mr. Pelletier) of the address.

I believe that over the years the significance of this debate has been somewhat eroded, partly due to the changes in the rules which now oblige members of parliament to inject into this discussion matters which were formerly taken care of in the committee of supply. I believe this debate should be one in which members of parliament, whether in the treasury benches or elsewhere, should take an over-view of the situation. They should concern themselves as to where we are going as a nation and, whether or not we feel this or any other government has the will or capability to lead this nation, whether our goals are leading us to the point we hope to reach. This debate should give an opportunity for us to look at the whole forest. Because of the operation of the rules in the last number of years, I feel we are usually looking at the trees, and there is no opportunity to take an over-view of the whole situation.

• (1520)

If we do not do that we find the government staggering from one crisis to another with ad hoc solutions and policies of putting salve on the blisters to ease the pains and ills of our society rather than being able to take the time to diagnose the cause of those ills and pains. As a result there is a tendency for people to take a rather jaundiced view of parliament, and perhaps they have lost confidence not only in this government, which I think is justified, but in this parliament, which is less justified, and perhaps in our whole system, which is completely unjustified. This situation arises partly because of the circumstances in which we find ourselves. I would be so bold as to suggest that the sacred cow, the media, is not entirely without some responsibility in this field.

I know that the press gallery is composed chiefly of men who are well enough educated and hard working, but it would seem that on many occasions the important things which are going to be vital to this nation in the future, and the proper presentation of them, are not the things that sell newspapers. I am told that the people who report the happenings of parliament do a good job in that they discriminate as to what is important, pick those things out and give them proper prominence in contrast to some things that are just spectacular or sensational. One cynic has said that the trouble is that the people they work for spend all their time separating the wheat from the chaff and then print the chaff. I am not sure about that and therefore will not have anything further to say in that regard as I do not consider myself qualified to do so, but

there is a responsibility, if this system is going to function the way it is intended, for everyone concerned to take an intelligent and, hopefully, objective view of this country both in respect of its opportunities and its problems.

Even those people who take a jaundiced view of this institution and its works are not always without redemption. I was interested to read the other day the writings of perhaps one of the most critical and cynical commentators on this institution over the years when he made a confession in the foreward to one of his books, "Home Country" by Peter Newman. He says:

> To my surprise, I now harbour a suspicion of the automatically assumed beneficence of change. I have come to believe in the value of tradition, especially as it allows us to preserve the relatively gentle society which still exists on this side of the 49th parallel.

He goes on to say:

> Perhaps my real ideological swing has been away from a blind acceptance of the small "L" liberalism of the fifties to a strongly felt nationalism.

Later he says:

> It is far too much to claim for "Home Country" that it's the chronicle of a time, but it is the chronicle of a political education, my own.

It is refreshing to come across the writings of someone who is candid enough to say there is something we can all learn.

We have good men in public life at all levels, and perhaps more people have devoted more of their lives to making municipal, provincial and federal affairs operate to the best of their abilities than can be said of almost any other professional calling. This country has men both inside and outside parliament of great leadership, many of whom are in our legislatures and municipal councils, and often they are not given the credit tnat is due. We no doubt have many potentially exceptional leaders in other fields as well. Sometimes one gets the feeling that it is perhaps a little too bad that so many of them have been employed by newspapers to write editorials and comments on the news, particularly those who have such a great potential for solving our national problems.

Let me take a few minutes to try to put into perspective and on the record some of the apprehensions which concern the people I represent and the people I meet every day. The first and greatest concern or apprehension is inflation, the ever-rising cost of living and the fact that purchasing power lags behind the increase in the cost of living with the rapid debasement of the value of monetary savings of all kinds with a resulting discouragement to thrift, making it an almost impossible task for people to provide for their old age when their savings are depreciated so much in the interval.

Perhaps the worst feature of inflation is the diverting of investment from the production of plenty to the speculation in ownership of things it is supposed are in short supply and, therefore, will command a high price in the future, in an attempt, which is a natural one on the part of individuals and business, to find something that will neutralize the depreciation in the value of money.

There are two types of inflation. There is the general type that is inevitable because as population grows and our needs grow beyond or even greater than population it becomes obvious that material wealth will be harder to obtain. For example, it is more difficult and no doubt more expensive, no matter how great our science and technology may be, to extract oil from the Athabasca tar sands than it is to remove it from the ground in easily accessible areas.

● (1530)

It is inevitable that the price of food will have to go up as we have to move from the richest agricultural lands to marginal lands in order to produce food. There are many examples of this sort of thing which I could cite such as in respect of lumber, building materials, metals or any other extracted material. Naturally the cream was taken off first. Then as time goes by and demand increases it is necessary to exploit less rich supplies of these natural resources which are available to us. It is true that science and technology can do much to improve the efficiency of our production, but we should not expect science and technology to be able to accomplish the impossible because the resources are finite and only so much can be achieved.

The most serious type of inflation of course, and the type this government should contain and has the responsibility to contain, is what I might call induced inflation stemming from the government's failure to practice what it preaches. It tells the working man he should not expect his take-home pay to increase faster than his productivity, that people should live within their means and that they should constrain expenditures of certain types. However, the government does not pay any attention to any of these principles. In my judgment we have had rapid over-expenditure on the part of the government.

We have seen the mis-employment of human resources and the unemployment of human resources. If we are to obtain the greatest benefit from our natural and human resources they must be used as efficiently and as fully as possible. Not only this government but governments at other levels—although I believe this government has the blackest record—have acted as if these immutable laws do not apply to them. I submit they do. In this connection I should like to quote briefly from an article in the Board of Trade Journal by Mr. R. L. Smith, president of the Board of Trade of metro Toronto. He makes five points but shall quote only three. He states:

> Government spending is taking too much of our gross national product. As a nation we have to live within our means.
>
> The country does not need all the government restraints and controls that are being placed on business today.
>
> The realization of social and political objectives are dependent upon the achievement of economic goals.

He goes on to say:

> Perhaps too few of us know that total government spending in Canada is approaching 40 per cent of our gross national product. In 1952, the figure was 26 per cent; in 1962, 31 per cent. Compared to other countries in 1972, government spending in the U.S. was 32 per cent of the GNP; Britain, 36 per cent; France, 37 per cent; Germany, 37 per cent; Japan, 17 per cent.

The Minister of Finance (Mr. Turner) in speaking today in this debate referred in some way to the almost miraculous economic development of Japan or something to that effect. I should like to point out to him that in Japan only 17 per cent of the gross national product is spent by governments. Only ten years ago the federal and provincial revenue totalled about $13 billion. Today the total is

about $39 billion. That is a three-fold increase in that short period of time. We have set in play many programs which by themselves inevitably will expand in cost at a perhaps uncontrollable rate. The Economic Council of Canada, for instance, said this year that the expenditures of all governments on health and education would, at their present rate of increase and at the present level of taxation, account for all available government funds—that is, take up the whole budget—within little more than a decade, leaving nothing over for many other services government is expected to provide.

I want to make perfectly clear that I do not condemn education or government expenditures on welfare and public health. We must realize, however, that our resources have some limit and that therefore we must use our resources in the best possible way and that we must have priorities. These priorities should be based on the value received for the expenditures made. Mention was made in the quotation to which I referred of government restraints on business, especially the statement made by the President of the Metro Toronto Board of Trade. When one conjures up government restraints on huge corporations the average man in the street will say, what is the matter with that. That is not my concern. I think large corporations are in a position to deal with these restraints in a fairly efficient manner. My concern is the effect that all these government demands and restraints has on small businesses. They make it almost impossible for the person who is self-employed and who wishes to contribute to the production of the country as a whole to do so in an efficient manner.

I have visited little operations in my constituency in Prince Edward Island. These are operations which manufacture some item or other such as perhaps some phase of the lumber business. It might be a little operation involving a man, his wife and perhaps two other employed persons. At the end of every month they have to send in forms and statements to eight departments of government, including federal and provincial. For them this is a chore and a hindrance. It causes them to wonder whether the whole thing is worthwhile and whether perhaps they might be better off if they were in the position of employees. It seems to me that in the last number of years governments have become so preoccupied with reallocating our wealth that they have ignored its production and the best climate in which the production of wealth and the good life might be possible.

It is said that humans differ from animals because of the fact that humans have the capacity to anticipate the future and have a concept of time and therefore are able to adapt to and cope with the future. As I look at this government day after day, on the basis of that harsh definition it would seem to me it hardly qualifies. It barely qualifies because there is a horrible lack of appreciation of the trends that have been set in motion in this country in the last few years, trends of geometric progressions which if they doubled every 50 years, let alone every ten years, would mean that some day we would reach the point where something has to go bust.

To illustrate what I am saying I might be forgiven if I once again refer to the fable of the stupid stable boy who was sent with a horse to be shod. The fable is in pounds and pence, but in order to simplify it I will put it in dollars and cents. The blacksmith said: "The charge is $5, but if you prefer I will give you a special deal. I will let you pay just one penny for the first of the 32 nails in the set of horseshoes, and you can pay for it now. Next week you can pay for the second nail, which will be two cents. The third week you can pay for the third nail, four cents". The stupid stableboy thought he was on to a great deal so he took it on. He went back to the man he was working for and told him what a great deal he had had from the blacksmith.

[Mr. MacLean.]

● (1540)

His boss was, of course, able to point out to him: "Yes, you are all right for this week and next week, and after six weeks you will pay 32 cents for the sixth nail. Then it starts to get tough. At the end of 16 weeks you will pay for the sixteenth nail $327.68; for the 24th nail you will pay $83,886.08; and by the time you get to the last nail in the set, the thirty-second nail, you will pay $21,474,836.48".

This is the kind of course on which the government has embarked. It is acting like a stupid stableboy. Every year it embarks on some expenditure, some course of action, that has built into it an exponential curve that will create terrible difficulties for the government in its present life span—which will be short—and certainly for the Canadian people in the days ahead, unless action is taken well in advance. This is why I say that foresight in government policy is absolutely necessary.

If corrective action is taken early, it need only be a slight correction which will not disturb the economy or disrupt life at all. But if allowed to go on, as the case with the oil crisis in the United States, and we double our consumption of oil year after year until demand rapidly outruns any hope of supply, then we will be in for real trouble.

The population explosion is, of course, an example of the exponential curve to which I have referred. It took all history, and pre-history too, to produce a world population of one billion by 1840. It took less than a century to add the second billion and a mere 35 years to add the third. By the end of the twentieth century the world will have doubled its present population, bringing the number to more than seven billion. This is the kind of problem we will be faced with.

I think it is vitally important for us as a nation to recognize how our policies are going to affect the rest of the world, and how the rest of the world is going to affect us by their policies. We cannot operate in a vacuum. We cannot operate as a federal parliament by ignoring the effects our policies will have on provincial policies and on the policies of other levels of government.

We, of course, have gaily encouraged the population explosion, and I see nothing wrong with this. We have coped pretty well as a civilization with one of the four horsemen of the Apocalypse, the rider of the black horse, famine and pestilence. We have even delayed the rider of the pale horse, death, to the point where we now have a much longer life expectancy, which is a beneficial thing. But one of the side effects is that we have more and more people in our population who are non-productive. In other words, the productive years of an average individual rela-

tive to his entire life span are becoming shorter and shorter, which puts great weight on his responsibility during his productive years.

I think government expenditures have been allowed to increase at an unjustifiable rate. For every man, woman and child in this country this federal expenditure is now at a rate of $1,000. The government says that this is partly due to statutory items over which it has no control. Who, may I ask, introduced the statutes, Mr. Speaker? The government is saying, in effect, either that it did not care, or it could not see the effect of the legislation it forced down the throat of parliament, in some cases, and passed last year.

Mr. Hales: They were like that stable boy.

Mr. MacLean: I also think the growth of the civil service is completely out of reality. I believe, of course, in an efficient civil service. I am not saying there should be no growth but that I think the rate of growth should be controlled so we do not continue to be the one country in the western world with the highest percentage of GNP going to government expenditure. If that is our goal, to be the most expensively governed country in the western world, then we have achieved it. But I doubt very much that one of Canada's real national goals, so far as the average person is concerned, is to have the biggest, most expensive and most grandiose government in the world.

The effects of this run away rate of acceleration in government expenditure cannot help but bring with it inflation. Indeed, it is one of the chief causes, if not the chief cause, of this induced inflation about which I have been talking. What effect does this have on the average citizen? For example, the expenditures of this government have doubled in the last eight years. If they double every eight years over the next 48 years, then the annual budget will be $1,408 billion.

What effect will this have on the young person now entering the work force and contributing relatively good dollars to the Canada Pension Plan? At the age of 66 he is supposed to get the benefit of 48 years' work. Presumably if this trend is allowed to continue, the annual budget is going to be, as I say, $1,408 billion, which will mean that the Canadian dollar at that time, compared with today's dollar, will be worth about three cents.

So is it fair to expect people to save good money now, even through a very meritorious scheme, which will be almost worthless when the money is repaid? The same argument applies to all kinds of savings. I think sooner or later—and sooner rather than later—the government is going to realize that it will not be able to borrow money from the general public, because people will not lend money to a government only to have the money repaid years later in dollars that have become almost worthless in the meantime. So we are not very far from the time when, in order to get anyone to buy government bonds, the government will have to guarantee an escalation in the face value of the bond so that it will be redeemed at the same purchasing power the investment had when the bond was first purchased.

● (1550)

What does that do? If that trend continues you have an explosive acceleration in the cost of carrying the national debt. That is happening now due to the increase in the interest rates. It does not take much of a mathematician to realize that it costs three times as much to carry the national debt at 9 per cent as it did at 3 per cent. This adds to the deficits, subtracts from the amount of money that is available to a government for constructive use, and cheats the person who lent his money to the government to save for his old age, because he gets paid back in dollars of deflated value. It has always been so, and the government should realize that it cannot make this country prosperous, that it cannot bring about a satisfactory economic situation by debauching our economic system and debasing our currency.

I believe my time is almost up, Mr. Speaker, and so I will try to conclude. There are other trends that are equally deplorable. One is the unnecessary and accelerated urban growth, and the depopulation of rural Canada. I would like to talk about that for a long time, but I will not on this occasion. Then, there is the worship of growth. I think that an economy which does not operate satisfactorily unless it is being artificially stimulated is sick. An economy that is sound should be able to do what it is supposed to do in a state of equilibrium.

I said that I may sound like a prophet of doom, Mr. Speaker. I am not; I am an optimist. I believe this is a country with a great future. However, I believe that there are certain dangers that we must foresee and avoid. If we do then there is a great future for this country, but in some cases time is running out.

Mr. William Rompkey (Grand-Falls-White Bay-Labrador): On rising to take part in this debate, Mr. Speaker, first may I add my congratulations to those of the hon. members who preceded me, offered to the Governor General and Madame Léger on their appointment. I wish them success and happiness, and I hope to welcome them to the province of Newfoundland whenever they can find time to visit there. I understand they will be visiting with us to take part in our celebrations at the end of this month and the beginning of April. I can assure them that they will be most welcome indeed.

May I say also how glad I was to see a keynote in the speeches that were made, moving and seconding the Address in Reply, one which I hope will be followed in this debate and throughout the continuation of this parliament, namely, that in Canada we cannot be isolationist or parochial, that we must learn more about other countries if we are to solve the problems that beset us today because certainly the majority of our problems are international in origin and scope. It is only by learning more about each other, and working more closely together, that we will be able to solve them.

It is indeed a pleasure and honour for me, Mr. Speaker, to speak in this throne speech debate on behalf of the people of Grand Falls-White Bay-Labrador. This is a large, far-flung riding, one of the largest in Canada. It stretches over about 130,000 square miles from the inland paper town of Grand Falls, and the nearby town of Windsor, built around the great Price Paper Mill. This is a bustling,

burgeoning area of Newfoundland, an area of rapid growth, including the fine towns of beautiful Green Bay, the fishing communities along the shores of White Bay, north to the town of St. Anthony, historic for its associations with Sir Wilfred Grenfell and that great medical mission of his. Along the coasts of Labrador we have Indian and Eskimo people in addition to the settlers. It encompasses Goose Bay airport, which boasts the longest runways in Canada east of Montreal, Churchill Falls and the massive hydroelectric project there, and the iron ore mining towns of Labrador City and Wabush along the Quebec border. This is a very diverse area, containing many different kinds of people, not only from Newfoundland but from many parts of the world.

Much of the area contains the potential for great prosperity, but it is also a region with many problems. Mr. Speaker, much has happened since I rose to speak in a similar debate a year ago. It has been a year of crises, of great challenges, and yet a year of great strides forward. The government, in a minority situation, has met these crises and challenges with courage and vision. Things are not what we would like them to be, far from it, but they are immeasurably better than they would have been had it not been for the policies of this Liberal government.

It is important to realize, not for the purpose of excuses but for the purpose of clarity and perspective, that the problems we have faced have been worldwide. For example, escalation of the price of oil in foreign countries caused an increase in the price of petroleum products in eastern Canada. The government will ensure that in future there will be one price for oil in all of Canada, and that the country will be self-sufficient in oil.

While the news of a subsidy for petroleum products and of the extension of the pipeline is welcome in Newfoundland, I should like to point out that in my riding we have our own source of clean and everlasting power in the Churchill River. The proposed development at Gull Island rapids will produce 1,700 megawatts of electricity, and at Muskrat Falls another 600 to 800 megawatts. Further, there is the possibility of power potential from the Eagle River. Altogether in that area we have the prospect of producing 10,000 megawatts of electricity for use in Canada. Little of that will be needed in the province of Newfoundland, but Newfoundland would like enough of it to meet its own needs in the foreseeable future, including any required for new industry that may be attracted to the province as the result of readily available power supply. As I say, there would still be a great deal available for use in other parts of the country.

It is important for the economic development of my riding, for the province of Newfoundland, and I believe for Canada, that the power development on the Lower Churchill River go ahead immediately, and that the power be brought across Labrador to the island of Newfoundland. I would hope the government would be as magnanimous in its assistance for this project as it was in regard to Manitoba and the Nelson River power development project. As I have said, Mr. Speaker, hydro power is clean and everlasting, and free from economic fluctuation in foreign countries. The development of this power potential is important for Newfoundland and for Canada, and I urge the government to give all possible assistance to my province in connection with it.

The problem that is heaviest on the minds and pockets of all Canadians is that of inflation and rising prices. Again, Mr. Speaker, it is small comfort, but nevertheless important to note that the problem of inflation is not confined to Canada but is in fact worldwide. Therefore, it cannot be solved in Canada alone, but only by Canada acting in co-operation with other countries. Nevertheless we in Canada must take action, and we have done so.

Our approach has not been to curtail wages and prices. We have seen this tried in other countries with disastrous effects, and we do not want to repeat the mistakes of other countries. Our approach is to try to increase the consumer spending power of Canadians. Our approach has been to attempt to put more money into people's pockets, particularly the pockets of those on low or fixed incomes who are hardest hit. We have done this by raising and indexing pensions and family allowances, by greater tax concessions, by changes to the Canada Pension Plan, and by selective subsidies on certain food items and on petroleum products. This has helped tremendously; things are still not good but they are immeasurably better than they would have been. This is what we did in the past and this is what we will continue to do in the future to help the Canadian consumer meet rising costs.

● (1600)

The great thing about this throne speech is that it attacks the cause of rising prices and not only the effect. The fact is that to bring food prices down you must bring up food supply. In a very positive way this speech suggests a policy that would help our food producers, particularly the farmers and the fishermen and this is of the most importance to me. While we are making progress in farming in Newfoundland, the mainstay of our economy has been and will be the fishery. With a market that is constantly demanding more fish, this government, realizing the importance of increasing our catch to meet increasing demand, has responded positively and emphatically by giving fisheries a prominent place in the throne speech and listing policies designed to increase production in both the inshore and offshore fishery. I am pleased and proud of the importance that this government has obviously attached to the fisheries, Mr. Speaker.

In summing up those sections of the speech dealing with fisheries, I should like to quote from an editorial in the St. John's Evening *Telegram* of March 2, 1974. In the past the Telegram has been very critical of our fisheries' policy, as a journal should be, but it is prepared to give credit where credit is due. To be quite fair, the editorial does urge the creation of a department of fisheries. But it also says that the fishery has been fully recognized in the Speech from the Throne and a great deal of emphasis has been placed on it. It says: "Be thankful things are suddenly going your way". That word "suddenly" is worth dwelling on, Mr. Speaker.

Suddenly, in October 1972, we had more Liberals from Atlantic Canada in the House of Commons. Suddenly, as a consequence, there was more talk of fisheries in caucus. Suddenly, there were resolutions on fisheries before the national convention. If fisheries has been emphasized in

the throne speech it is for a number of reasons. It is because those Liberals from Atlantic Canada have been working long and hard threshing out a fisheries policy, discussing, persuading, convincing. It is because we have a Minister of Environment and Fisheries who is extremely competent, able and far sighted. It is because the Liberal parties in Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island, have ensured that fisheries get a prominent place in national policy. And it is because we have a responsible and responsive government which realizes the value of the fishery to this country, particularly at this time when there is a food supply problem. These policies are Liberal policies, Mr. Speaker, and it is a Liberal government that has recognized the importance of the fishery not only to Atlantic Canada but to the whole country.

The editorial sums up those statements of policy in the Throne Speech which apply to the fishery:

> The improvements are aimed at the modernization of the inshore and offshore and the provision of ice boats and gear to make them multipurpose and the provision of ice-making plants to assist in improving the quality of the catch. Harbour facilities will be improved and updated and incentives will be provided to encourage the fishing effort in the direction of species and areas which are underexploited.
>
> There will, of course, be immediate short term effects which will assist the fishermen to bring their boats up to the new standards and to help them meet the new quality controls which are in the offing but the real objective appears to be the development of the total fishing effort to take advantage of any concession which might come from the Law of the Sea Conference.
>
> Environment Minister Jack Davis is quite convinced Canada will get management control of the continental shelf and the government must be accepting his optimism to give so much attention to the fishery in the Throne Speech.

There was a time when people said that this is Jack Davis's policy—this is a time when Jack Davis is speaking for himself. I think it is quite clear that this is no longer true. The policy we have and are enunciating at the Law of the Sea Conference, a policy which will give Canada control of her continental shelf to a minimum of 200 and possibly a maximum of 400 miles, is Liberal policy accepted by Liberals across Canada and espoused and defended by this government.

But the most eloquent symbol, Mr. Speaker, is the dollar sign. Money talks and the language in so far as spending on the fisheries is concerned, is impressive. Environment will be spending almost $6 million in Newfoundland on environment and fisheries in the coming year. I am pleased but I am not satisfied. It is not enough, particularly for the small craft harbour program.

Some hon. Members: Hear, hear!

Mr. Rompkey: This is a program for which those of us from Atlantic Canada fought very hard, and I think with a great deal of success.

Some hon. Members: Hear, hear!

Mr. Rompkey: Wharves, breakwaters and harbour improvements are an urgent necessity for inshore fishermen and there just is not enough money to do what needs to be done. We have doubled the budget for small craft harbours over the past year. We are spending more than we have for some time. Commendable as this is, it is still not enough.

As I said, Mr. Speaker, I am pleased that fisheries were given prominence in the Throne Speech and that measures are to be introduced to help fishermen improve their facilities and increase their catch. But let me deal with some of the problems that remain with the fishery, particularly in Newfoundland.

The catches of inshore fishermen in Newfoundland are continuously declining. Generally, the landed value is rising because of better prices. But, particularly in vulnerable places like the northeast coast of Newfoundland and the Labrador coast, where the season is necessarily short and the effect of offshore fishing particularly damaging, fishermen are becoming very discouraged by catch failure. Moreover, those who have invested in longliners are faced with debts that they cannot foresee paying, unless the pattern of fishing changes. The policy of improving assistance to fishermen so that they may provide themselves with better equipped and more flexible boats is extremely important. Many of our inshore fishermen will want to go where the fish are, and there must be ways and means of helping them to do so.

Another means of protecting the catch of inshore fishermen on the coast is to place a moratorium on fishing by the offshore fishing vessels, particularly on the spawning ground for groundfish on the northeast coast of Newfoundland, to the coast of Labrador. A restriction on fishing these grounds for a period by the larger vessels would increase the catch of inshore fishermen. These are the people who are the most vulnerable; these are the people we have to think about most. The merchants and firms who operate the offshore fishery have been getting help from the government, but to a certain degree they are able to look after themselves. It is the little man in the small boat about whom we must be concerned, and to him we must address our policies.

But the inadequacy of their particular unemployment insurance plan is the reason many inshore fishermen are quitting and finding jobs elsewhere. The fact is that all other workers are much better protected against unemployment than the fishermen, so fishermen are opting for other jobs, both temporary and permanent, where they get a steady income and a better deal if they lose their job.

What fishermen want is to be equal, to get benefits equivalent to those of other workers from the unemployment insurance plan. Fishermen want to be equal to other workers in terms of unemployment insurance benefits and they deserve to be. They are our primary producers, providing us with much needed food. They work hard, very hard, and they deserve help and protection for themselves and their families during the offseason. I was pleased to note, Mr. Speaker, that changes will be made in the Unemployment Insurance Act in this session. We are now busy drafting the necessary modifications to give fishermen equality with other workers in unemployment insurance benefits. We in the Liberal party are aware of the problem. It is a complex problem but we are working hard to come up with a solution.

The department will be making proposals to Manpower on behalf of fishermen. The thrust of these proposals will be to make fishermen equivalent, to give them an equal

deal with other workers in so far as unemployment insurance is concerned. This must be, Mr. Speaker; because the Law of the Sea, the limit on fishing, the subsidies to boats to improve boats and gear, and all the other measures that we had designed on behalf of the fishermen will be to no avail if, through something like an inadequate unemployment insurance plan, most of them tie up their boats and go to work at other jobs.

This leads us, Mr. Speaker, to the whole question of the development of rural Canada and northern Canada. We have all been aware for some time now, of increasing urbanization. More and more Canadians are coming to live in cities. They are moving from rural areas, from farms, fishing villages, small communities all over Canada. This has done two things. It has made it necessary to cope with increasingly complex problems in our cities in such matters, for example, as transportation and housing. But this emigration, particularly from Atlantic Canada, has caused what has been called "the brain drain" or what might be described as the erosion of rural Canada. True, some young people who are disenchanted and dissatisfied with the cities and with "the system" are returning to the country or to wilderness areas. But there seems to be little encouragement for many young people to remain in rural communities and little incentive for young people to go to rural communities.

● (1610)

First of all, the cost of living in most cases is much higher, particularly where residents cannot supplement their income by harvesting the resources of the land or the sea. The cause of this to a great degree is high freight rates. People who live at a great distance from manufacturing and supply centers find it doubly difficult to pay for necessary consumer products because of excessively high freight rates. For this reason, I was pleased to see in the Speech from the Throne the promises that steps will be taken to end discrimination in freight rates. This problem, Mr. Speaker, does not exist only in the west. There is discrimination in freight rates in parts of Atlantic Canada as well, indeed even within sections of a province.

Many people in rural and northern Newfoundland and in the Labrador area have, up to now, found it difficult if not impossible to obtain adequate housing. While we have had programs to assit native people, our housing assistance to non-native people has been less than adequate. This is particularly discouraging in burgeoning areas where jobs are available but where jobs go begging because prospective takers cannot obtain or erect adequate accommodation for themselves and their families. However, I notice that the throne speech indicates that measures will be brought forward to provide substantial assistance for rural housing. This is an absolute necessity, Mr. Speaker. Otherwise we will add to the depopulation of rural Canada. But, what is even worse, we will never be able to attract new people to rural and developing areas. This government has always believed in the vision of the new Canada of the north, and there are indications in this speech that that belief is more firmly held than ever.

Transportation is another serious problem, Mr. Speaker, certainly in Newfoundland and particularly in my own riding. We need more and better roads. We need improved air services. We need improved transportation by sea.

[Mr. Rompkey.]

There are still too many parts of rural and northern Canada which are not linked to the rest of the country by road. I could mention those in my own riding, some of which have been completed under DREE. Others, I hope, will be completed in the near future. We must continue our attempt to knit the various parts of this vast country together. The current CBC TV series, "The National Dream", brings home to us once more the need for vision and imagination in the area of transport. Development follows improved transportation. If the people at the extremities of this country, and indeed within provinces, are to feel that they are fellow citizens, they must somehow have better access to one another. We have made great progress in this regard through the Department of Regional Economic Expansion but we still have a long way to go. The department has been a godsend to Newfoundland. It has worked wonders and will continue to do so. Recently a $5 billion plan was signed with th province of Newfoundland, which is an indication of the support the government of Canada is supplying with regard to the budget of the province. As I say, much more remains to be done.

We need to improve air services. There are communities in rural and northern Canada which will not be connected by road in the foreseeable future. We must ensure that they have access to their fellow Canadians. A great deal of emphasis needs to be put on STOL aircraft in our rural areas. Better aircraft and improved landing facilities are needed to bring goods and services to people in rural areas and to bring them closer to each other. This government has made a tremendous improvement in communication in rural and northern Canada. Still, there is much to be done.

Since the introduction of the satellite, many parts of northern and rural Canada are now connected to television and telephone service. Yet, in a day when we can talk to men on the moon, I still have great difficulty in reaching and talking to people in many parts of my riding by telephone. Actually, some people in my riding do not have any telephone. You communicate with them by means of a high frequency radio set. If you are lucky enough to get them in the first place, the chances are that your conversation will be cut off in the middle. Television in some areas is still non-existent or of an inferior quality. I was pleased to hear the announcement recently that $80 million is to be spent on the CBC's accelerated coverage plan to bring TV to remote areas. We must provide this kind of communication link to all our people if they are to feel part of the country.

The speech also mentioned measures to be taken to provide workers with improved access to available jobs. The decentralization of government services is essential. The Department of Manpower has already taken steps to set up a more decentralized system of combined Manpower and UIC offices by establishing smaller offices to serve local areas. This is highly desirable and the policy should be continued. Too many still find it is easier to find jobs for themselves than to seek them through Canada Manpower. I believe this decentralization of administration will help to correct that.

Hand in hand with this trend goes the community employment policy in a social security context for those Canadians who have particular and continuing difficulty

in getting and keeping employment. The Minister of National Health and Welfare (Mr. Lalonde) has already said that it is his intention to emphasize jobs rather than social assistance. He will be working with Manpower and the job-creating branches of other departments in a positive approach to finding productive and useful work for our unemployed. In the past programs such as LIP and OFY, while they have been admirable in philosophy and generally in application, nevertheless have not fully met the need. A more comprehensive program is necessary. We must also bear in mind once again the need for decentralization of administration. Programs to create employment should be fully integrated in a total plan for community development.

In Newfoundland, as possibly elsewhere in Canada, we have been creating employment through large scale projects to develop our natural resources. I am thinking of power projects, of mining ventures, of large scale lumbering and fishing operations. While these are necessary and desirable, we should at the same time realize that small scale commercial enterprises in rural areas can supply the economic needs of the local population. At the same time, these justify the provision of infrastructure, but allow the residents to retain a great deal of their original life style. I am thinking of small fish plants, saw mills and small agricultural operations. I am thinking of communities with populations of from 500 to 5,000, which could be provided with adequate housing, schools, water and sewer systems and up-to-date communications, cultural and recreational facilities. I am thinking of communities where residents would have the necessary cash income, but where they could do other things to supplement this cash income, depending on the life style they wish to pursue.

So, I support the principle of developing a community employment policy, but only if the application of it in a particular community is designed and executed not only by the federal and provincial governments but by the people of that community as well. At the same time as we are developing our community employment policy, we should be developing our policies designed to help people participate in the decision-making process. We, as a federal government, should be very heavily involved in adult education in the broadest sense. Too many of our people are still unaware of what choices are open to them and what programs are available to them. Too many still find it difficult to plug into the decision-making process which is becoming more and more complex. It is their community and their life, and it should be our job to help them to design and build the kind of community they want and the kind of life they want. Programs of this nature are most effective if at the same time we invest heavily in educational programs designed to help communities decide for themselves how their environment should be modified or how they should adapt to it.

There were other parts of this throne speech that will be of interest to my constituency, Mr. Speaker. The town of Windsor in central Newfoundland, for example, will be pleased to know that measures will be introduced to assist provinces and cities in the relocation of railway lines and terminals and in the redevelopment of these areas. The whole of the central Newfoundland area is growing and progressing rapidly but will need help from various federal departments if it is to keep its public services in line with its rapid growth.

This is a bold and robust speech, Mr. Speaker, and these are bold and robust policies, Liberal policies backed up by Liberal spending. Certainly, we have experienced crises; but crises often call not for caution but for imagination and foresight. This government has recognized the fundamental changes taking place in the world, as it at the same time becomes smaller and yet more complex. Change, in all aspects of our society, is becoming increasingly more rapid, as society becomes more complex. It is to the great credit of this government that it has governed and governed well in these circumstances while in a minority situation. A great deal of impressive legislation was passed during the last session, Mr. Speaker, and I believe the list will be even more impressive this session. It has been a source of pride for me to be associated with this government and with this caucus. I have found that members of parliament can be heard and can change things, not as fast as we would like and not as many things as we would like, but the changes come with a little help from your friends.

● (1620)

The policies this government has put forward bear the mark of this caucus and this party. They are policies that were forged in hot debate. They are all the more enduring because of that. I believe they will carry us through this turbulent time. I believe also that when the time comes, the people of Canada will give credit where credit is due.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I was rather perplexed by some of the comments of the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey). He spent the first part of his speech trying to be a Liberal and the second part trying to be honest. He wound up by again being a Liberal. He spent a good deal of time extolling the great policies of the Liberal government. It almost made me feel as though I should move to Newfoundland immediately because things are so great there.

For some strange reason, the hon. member forgot to mention the unemployment rate and the rate of inflation in the past year. After stating how great Liberal policies were, he proceeded to give all the reasons people are leaving Newfoundland. He referred to high freight rates, inadequate housing, inadequate transportation by land, sea and air, inadequate development, inadequate television and inadequate telephone service. All of these factors I see as a reason why this government should be thrown out completely and replaced by a Progressive Conservative government.

Some hon. Members: Hear, hear!

Mr. Yewchuk: I read with great interest some of the comments made a few days ago by the Minister of Energy, Mines and Resources (Mr. Macdonald). I hoped he would explain what policies he and the government are proposing in order to expedite development of the tar sands which happen to be located in the middle of my constituency. For that reason I hope I will be forgiven if I talk for a few minutes about the tar sands. I was hoping the minister would give some indication of what the policies will be in order to ensure that the tar sands are developed

at a rate sufficient to meet Canada's needs on an interim and long term basis.

We have been hearing and reading much in the last few months about an energy crisis in the world. I think it is fair to say that insofar as the world is concerned this is not a myth, although insofar as Canada itself is concerned, from the short term point of view, there probably is not a crisis in terms of availability of energy but rather a crisis in terms of transport of it from producing areas to consumer areas. This is simply the result of government neglect over the past 10 years.

Because of the unique position that Canada occupies in that the tar sands are located in this country, the solution to foreseeable energy problems faced by North America will in large part involve major activities on the part of Canadians. The estimate of reserves of conventional oil in North America insofar as present liquid hydrocarbon reserves are concerned is that they are equivalent to approximately 10 to 12 years' supply.

As production capabilities from these sources decline, new sources must be developed at a rate which meets both the increasing consumption and the declining capacity of conventional reserves. While the minister, in his comments, touched briefly on his intentions as they may relate to the tar sands, he by no means indicated any kind of a long-term plan, or indeed any specific short-term or interim plan for federal government assistance or participation in the development. He stated that the government proposes to spend $40 million on oil sands research technology and that this will permit full and rapid development of that resource. He also stated that a national petroleum company will be established which will, among other things, involve itself in the tar sands.

As far as I am concerned, both of these suggestions could be considered at best a feeble, airy-fairy effort to meet a problem which could be severe and acute in a fairly short period of time. I have no objection to a national petroleum company in principle in that it will fulfill a certain need which exists in this country, but I certainly cannot see it as the solution to our petroleum requirements for the future. Much more important to consider if we are serious about long-term planning is the encouragement of private enterprise as well. We know that without encouragement of private enterprise which is already in the business, serious shortages could develop rather quickly, since it could well be a decade or more before a national petroleum company could get its production on stream.

The world energy crisis has placed a strain on many countries but it has also had its beneficial effects, namely, the new price structures which have been forced by international and economic pressures. These price structures have had the effect of making it possible to undertake with greater vigor the development of some of the more difficult sources of petroleum, such as the tar sands in our country, because these developments are now economically feasible and economically attractive in the long term. With the old price structure, there was some question as to whether the tar sands development was economically viable. With today's price structure on the international scene, there is certainly no question about viability, although with the price structure within our own country still held at $4 a barrel, economic viability is questionable unless the prices are allowed to rise at least 5 per cent per year for the next 25 years or so. With that kind of Price increase, there would presumably be sufficient return on the investment to make investment in the tar sands as attractive as in a number of other types of private enterprises.

While the Prime Minister (Mr. Trudeau) has said in the recent past that he would allow the price of crude to rise sufficiently to make tar sands development a more attractive area for private investment, we have yet had no clarification from the Prime Minister or the minister as to what the government envisages this level to be. A positive statement from the government at this time in this area would be useful in terms of removing some of the doubts that now exist as to the real economic prospects for interested developers.

While there are other potential sources of liquid hydrocarbons, such as the vast coal reserves, the oil shales in Colorado, Arctic oil and offshore sources, the most obvious known potential source for which the technology now exists is the Athabasca tar sands. This source consists of some 700 billion barrels of oil, of which 60 billion barrels are obtainable by surface mining and another 90 billion by presently known in situ techniques.

To encourage further research and development, the very progressive Progressive Conservative government of Alberta has announced a $100 million fund for mining and other research to develop more effective techniques to increase the percentage of recovery of oil from the tar sands. With this research, if it bears fruit, it is expected that an additional 150 billion barrels could be removed, adding up to a total of 300 to 350 billion barrels removable out of the total deposit of 700 billion barrels.

As I mentioned before, the United States has a projected reserve supply of somewhere in the area of 10 to 12 years, while Canada has a prospect of 15 to 17 years supply. It is, therefore, rather urgent that our alternate sources be developed not only for fuel but because these hydrocarbons are also sources of raw material for the petrochemical industries, synthetic rubber, plastics of many kinds and organic chemicals which generally require vast amounts of hydrocarbons for which there is no substitute raw material. At the same time, we should be taking appropriate steps to ensure that producing provinces cease to be exporters of the raw materials only. We should ensure that more and more of the exports from the producing provinces are in the form of fully manufactured products. Since there is no substitute raw material available to these petrochemical industries we must use our depleting reserves prudently and ensure that, while development takes place, some thought is given to the needs of future generations. So, while the short-term need requires maximum achievable output, long term need dictates development in keeping with principles of conservation.

● (1630)

The appropriate level of development, to judge from the rate at which tar sands development has been going on so far, is not likely to be reached in less than 15 or 20 years from now. The plant which is already in production began research on the tar sands in the 1950's, applied for a permit

to build an extraction plant in 1962, received it in 1964 for a capacity of 45,000 barrels a day and was permitted to increase production to 65,000 barrels a day in 1973. The first oil was produced in 1967 but full output was not achieved until 1973. In this case, approximately one decade elapsed between the time the application was made and the date on which full production was achieved. The experience of the existing plant shows that three years were required for construction. Organization in terms of ordering materials, locating skilled staff, and so on actually began a couple of years prior to construction. We are faced with a similar situation as far as progress toward construction of a second plant is concerned.

Construction of a second plant is about to begin. The capacity envisaged is 125,000 barrels a day and the plant is expected to go on stream by 1978, four or five years from now at best, but it might be as late as 1980 before the full rate of production is achieved. Difficulties are also being faced by this company in terms of locating a sufficiently large pool of skilled labour, including engineers, to enable the project to proceed. I am told there are presently some 500 vacancies in Alberta for engineers. A number of large projects are under way not only in Alberta but in North America generally, and these are absorbing all the available trained labour. These shortages are a source of potential delay and indicate a certain lack of foresight on the part of the federal government inasmuch as it failed to take the appropriate steps to prepare a labour pool for this project as well as for future plants as they get under way.

I did not hear the Minister of Energy, Mines and Resources make any mention of his department's plans to overcome this serious problem. I should like to suggest the immediate initiation of a massive manpower training program designed and carried out in conjunction with industry and the province. Such a training program makes all the more sense when one considers the high unemployment rate existing in our country today. In its absence, skilled labour will have to be brought in from other countries, leaving unemployed Canadians to continue to enjoy the fruits of our massive and costly unemployment insurance program.

Another serious problem arises from the shortage of manufactured equipment largely stemming from difficulty in obtaining steel, and here again no comments have been forthcoming from the minister. I am told a search is being carried out all over the world to find an industry capable of manufacturing the appropriate equipment and that the company has been unable to obtain the commitments it requires in the equipment field in order to carry on in accordance with its projected schedule. The steel shortage is a cause for major concern and it could seriously delay development of the tar sands. I want to know what the government is going to do in terms of assuring a supply of steel.

There is another area in which the government has been somewhat negligent. I refer to the immediate needs of people at the site of development and in particular to the need for assistance in the provision of adequate housing for employees and potential employees of tar sands developers. Presently, Fort McMurray is classified by CMHC as a one-industry or one-company town. Under such a classification, severe mortgage restrictions are imposed; requiring a company to guarantee all housing loans. This, of course, becomes a serious obstacle in the way of individuals obtaining housing, particularly if they are not directly linked with the company involved in the extraction project.

Predictions are that upon the completion of the second plant the population of Fort McMurray will rise to somewhere in the vicinity of 25,000. It is projected that 1,000 new housing units will be required for the next four or five years until the plant is on stream. So far, however, there has been no evidence at all that the present rate of housing development can adequately meet the rapidly growing demand. In view of the fact that the potential for development is unquestionable, Fort McMurray should certainly be considered to be a stable community and made subject to ordinary CMHC rules. And since there is already a severe housing shortage, I believe it is reasonable to expect the minister responsible for CMHC to seriously consider removing the present restriction in order that mortgages to individuals could be more readily provided. This is another immediate and pressing aspect, and it is one to which neither the Prime Minister (Mr. Trudeau) nor the responsible minister have made even a passing reference.

A third developer has filed an application with respect to a plant to produce 100,000 barrels a day. It is conceivable that this plant will not be in production until the early 1980's, depending on several of the factors to which I have referred. On the basis of these three examples, it is obvious that although huge deposits exist in the tar sands it will be some years before production is anywhere near the level required to assure self-sufficiency in Canada and security of supply. A host of other companies are stepping up their activities and interest in the area. They may be planning extraction plants and in due course it will be necessary for them to go ahead so as to assure security of supply. Before this can happen, the government must seriously consider providing assistance in the areas I have discussed; it must give some indication of a stable, long-term program in terms of providing an assurance to these companies that they can expect a reasonable return on their investment over the years. Such an assurance will encourage them to move ahead as quickly as is required.

While I appreciate that the minister is looking at the creation of a national petroleum corporation, I remind hon. members that he himself has stated it might be many years before such a corporation does, in fact, have a plant on stream in the tar sands region. Until this is the case, the government must take steps to encourage those who are already in the business and who are in a position to proceed immediately.

Mr. Speaker, I know there are many in this country who feel that most of the development of Canadian resources from now on should be carried out by Canadian enterprise and in large part owned by Canadians. I happen to agree with this proposition and what I have said does not conflict with it, providing the government takes steps to ensure that Canadian interests are protected. The fact that the companies which hold leases on the tar sands, and are in process of development, are in large part foreign-owned should not be a reason for failing to proceed with development. All that is necessary is that legislation be passed

requiring these companies to allow adequate Canadian participation in ownership and administration.

As to the debate over whether development should be carried out by private enterprise or public enterprise, I personally do not think it makes much difference. If a publicly-owned company such as the proposed national petroleum corporation can go into the extraction business in the tar sands and can produce oil on a competitive basis, proving itself to be more efficient than private enterprise, then by all means it should be encouraged. What I should not like to see is a publicly-owned corporation going into the business as a lame duck industry requiring continuing injections of capital from the public treasury. I do not think that is what Canadians are looking for. Basically the aim must be that the factor of competition be allowed to play its role fully in order that Canadians get the best value for their money. If a public company can really provide that kind of competition, then so much the better for Canadians. If it cannot compete and becomes a drain on the treasury, then Canadians will be the losers.

● (1640)

With regard to the amount of profit that is taken out of these developments, again I do not believe it matters whether the ownership is private or public in so far as returns to the public treasury are concerned, since governments have the authority to legislate any royalty or tax structure they deem to be in the best interests of Canadians. In the case of a privately owned company, it does not need more than a reasonable return to be encouraged to stay in business.

Another important factor we must keep in mind is that we must not hang our hopes only on the tar sands as being the only remaining potential source of hydrocarbons. I think adequate steps must be taken to encourage the continuation of exploration for conventional oil supplies, and while my friends to the left—

An hon. Member: To the far left.

Mr. Yewchuk: —to the far left have indicated they believe there are basically no conventional oil supplies left worth looking for, that kind of negative attitude should not be encouraged. Exploration must be continued simulataneously with progressive development of the tar sands.

I want to spend a few minutes on another subject which concerns us all as well, and that is the subject of inflation, particularly as it affects the ordinary working man. On February 27, Statistics Canada said the country's economy showed its greatest gains in seven years in 1973. The Minister of Finance (Mr. Turner) has been repeating that everywhere on frequent occasions. The rise was something like 7.1 per cent in terms of real growth after deduction for the steepest inflation in 22 years.

At the same time, the latest figures released by Statistics Canada indicate a progressively deteriorating situation for the Canadian worker. Average weekly earnings for the month of December actually decreased approximately $5 from the month before, and were only 5.9 per cent higher than those of a year before. When we compare that with the cost of living increase over the same period of 9.1 per cent, it is indeed obvious that whatever salary

[Mr. Yewchuk.]

increases the working man has managed have more than been eroded by inflation.

However, what is even more disturbing than the actual figures for December is the trend revealed by these same indicators as reviewed over several months. Last June the cost of living rose more than the average weekly earnings, and since that time the gap between the two has been dramatically widening. Clearly then, any rhetoric on the part of the present government as to the increase in the earning power of Canadians is totally without meaning in the face of this uncontrolled inflation.

The finance minister on many occasions has claimed that in spite of inflation, and in part through his income tax measures, what he calls "real disposable income" has risen by 6 per cent. It is unclear, however, where or how this figure could be obtained. Discounting the effect of tax measures, current income would have to have risen 15 per cent over the past year to compensate for the 9 per cent inflation and to provide a real income increase of 6 per cent. The national accounts show a third-quarter to third-quarter increase in over-all disposable income of 17.29 per cent, but these are aggregate figures, not per capita average figures. Their increase represents for the most part an expansion of the labour force. Therefore, such a statement by the minister is less than honest if it is these figures on which he bases his statement.

Average weekly earnings, which do not take into account either inflation or effective tax rates, from the third quarter of 1972 to the third-quarter of 1973 rose by only 6.8 per cent; inflation over this same period was 8.2 per cent, thus showing a net loss in real income of 1.4 per cent over the year rather than an increase of 6 per cent which the minister has claimed. Because of this loss, I think we can look forward in the next year to widespread labour unrest as the working man tries to boost his sagging wage enough to catch up to the runaway inflation.

For sometime now the Prime Minister (Mr. Trudeau) and his finance minister have maintained that inflation in Canada is due to international factors and that there is little the Canadian government can do. In fact, the Prime Minister said on December 30, 1973:

> If a government can't cope with self-induced inflation, it deserves to be thrown out.

That is a reference to inflation which comes from factors within Canada. We are getting pretty tired of Liberals saying that nothing can be done about inflation because it is caused by international factors. With that Liberal attitude nothing will be done as long as they are in power.

What then are the real facts? According to expert opinion, 60 per cent of our current inflation of 9.0 per cent is self-induced; it comes from factors within our own country. It should, therefore, be within the competence of our own government to do something about at least that 60 per cent. If that were done it would bring down inflation to within range of the acceptable limit defined by the Economic Council of Canada. International inflation only accounts for a little more than one-third of our total inflation. Furthermore, the domestic or self-induced component of inflation has been escalating continuously since the last quarter of 1970 when the Prime Minister said: "Inflation is licked".

It is obvious that because the government has not been able to hold the line on domestic causes of inflation it is now trying to cover up its own incompetence. At the same time, the Prime Minister said recently in a radio interview that over the next 12 months he cannot see a lowering of the cost of living, which suggests that he and the government are openly admitting that they cannot cope with our inflation problem. In view of these facts the only recourse Canadians have is to follow the advice of the Prime Minister given on December 30, 1973 when he said: "If a government can't cope with self-induced inflation, it deserves to be thrown out".

Mr. McRae: Mr. Speaker, would the hon. member permit a question?

Mr. Yewchuk: I would be very happy to do so.

Mr. McRae: In view of the fact that an interdepartmental committee of the government of the province of Alberta on the Athabasca tar sands suggested that a plant should not be brought on-stream more rapidly than once every four years, is the hon. member not concerned that the more rapid development of the tar sands he suggests will create serious environmental and social dislocation in the community he represents?

Mr. Yewchuk: I am sorry I did not hear the question. I wonder if the hon. member would mind repeating it.

Mr. McRae: In view of the report of the Alberta government interdepartmental committee on the tar sands which suggested that plants should not be brought on-stream more than once every four years, is the hon. member not concerned that the more rapid development which he seems to suggest as desirable would create environmental and social dislocation in his constituency?

Mr. Yewchuk: Yes, Mr. Speaker, I am concerned.

Mr. Norman A. Cafik (Ontario): Mr. Speaker, like those who preceded me in the throne speech debate, I want to congratulate the Governor General and Madame Léger on their assumption of their important roles. I was very impressed with his remarks during the ceremony when he was sworn in, as I thought they were very timely and very profound. He covered many of the basic questions with which we as Canadians must cope. I am confident he will perform his functions as Governor General, with the aid of Madame Léger, in a superb manner, and will represent Her Majesty here in Canada in a way that will be a real credit to all Canadians.

Second, I should like to congratulate the mover and seconder, the hon. members for Spadina (Mr. Stollery) and Sherbrooke (Mr. Pelletier) on their very excellent speeches in moving and seconding the address in reply to the Speech from the Throne. In addition I should like to congratulate the new Chief Justice of Canada on his appointment. I take particular pleasure in this because of the number of communications I have received from constituents of mine who were deeply impressed with the government's action in appointing this man as the Chief Justice of Canada in view of the great reputation he enjoys as a person concerned about civil rights and other matters of importance to all Canadians.

● (1650)

I was very pleased to be present in this House when the Prime Minister (Mr. Trudeau) spoke on leader's day in this debate. Personally, I thought it was one of the finest speeches I ever heard delivered in this House of Commons since I was elected in 1968. I do not say that simply because he is the Prime Minister. I have had the opportunity to say that on numerous occasions before in similar debates but have not chosen to do so. I was deeply impressed with what he said, and particularly the philosophical base he provided for his statement at that particular time.

Before proceeding to make specific remarks in this throne speech debate, I should like to make some comment on what was said by one of the earlier speakers, the hon. member for Malpeque (Mr. MacLean), whom I hold in great esteem and consider a personal friend. While I was in the House he spent some time talking about the high cost of government expenditures. I have heard a great deal about that from all sides of the House, but I was disappointed that he did not choose to tell us in what areas he would like to see a reduction in expenditures. It is very easy to say that expenditures are too high. Anyone can say that. However, I think it takes some real study to calculate where the reduction should be. Should we be reducing the old age security benefits, the guaranteed income supplement and so on which have an enormous impact on the federal budget? Should we be knocking out the New Horizons Program and the community employment program, and should we not have the escalation provision in our social security programs? I believe that all these things are socially desirable.

Mr. Yewchuk: Start with Information Canada.

Mr. Cafik: I might mention Information Canada, but is that really so significant an expenditure? It amounts to $10 million when we are looking at billions of dollars in respect of social security programs in the last year. I do not think one should attempt to pick out items on which many members might find agreement. We should look at the really substantive issues in respect of which the government is spending large amounts of money.

In order to give an example of the kind of attitude exhibited by some members, perhaps for political purposes, I might refer to the meetings of the Committee on Health, Welfare and Social Affairs during the first session of the twenty-ninth Parliament when I was representing my minister, the Minister of National Health and Welfare, as a witness. There was a good deal of discussion concerning whether the adoption of the escalation clause in respect of old age security, family allowances and so on, was in fact fanning the fires of inflation. We discussed this at some considerable length. As I recall it, this subject was brought up by three members of the Conservative Party at one particular meeting. I wanted to know whether, in fact, they were suggesting that these particular social programs should not be subject to escalation. No one wanted to say that. They wanted us to bear the brunt of the criticism by suggesting that the provision for escalation would fan the fires of inflation. I wanted to know whether, in fact, they were willing to put their money where their mouth was and vote against the escalation

provision in these social measures, but no one was willing to do so. However, they did try to make the charge that the government was fanning the fire of inflation when in fact they were voting for the very things they were trying to say were so bad.

One other point I should like to make is that the previous speaker, the hon. member for Athabasca (Mr. Yewchuk), was talking about the rate of inflation, real income and so on. I would be quite happy to speak to him privately later because clearly there seems to be some confusion concerning the real facts. I have no vested interest, political or otherwise, in trying to portray the facts in any particular way other than the way I believe them to be on the basis of the information I receive from Statistics Canada.

On January 11, I embarked on a small research project in respect of this question. I based the figures resulting from my calculations on facts and figures presented by Statistics Canada. They differ from those presented by the hon. member for Athabasca. I am not saying the hon. member is wrong, but clearly either he is wrong or I am wrong in respect of the statistics I shall mention. It would be very interesting, and I believe valuable, to find out which figures are correct. The information I obtained at that time indicated that in 1973 the percentage increase in personal income was 13.8 per cent and that the consumer price index increase was 9.1 per cent, which included all items. As a matter of fact if one were to extract the food items, one would find the increase would be more than 13.8 per cent for 1973. However, in respect of the real personal disposable income per person to which the hon. member referred as being 6 per cent, my investigation indicates that in 1973 there was a growth in personal disposable income of 5.1 per cent. These are Statistics Canada figures. That, of course, is small consolation to those who do not find themselves in that statistical group. We must be careful because clearly a statistician is a person who can make figures lie.

Obviously that statistic is of no consolation to some simply because it happens to be based on the broad average and would not be true in each individual case. There are many groups of which members of parliament would be one, who have had their incomes eroded through a loss of purchasing power. There are others who suffer more seriously and they are very much the concern of all of us. I think the fact is that it is not sufficient to simply say the government has not solved the inflation problem. That could be said about any government in the world. If one looks at the international rates of inflation in 1973, one will find that our rate of 9.1 per cent compares with the rate in Japan of 11.8 per cent, the rate for Australia of 10.5 per cent, the rate for Italy of 11.6 per cent and the United States with a lower figure of 6.2 per cent in 1973. The figure for France is 5.7 per cent. For Germany, it is 7.1 per cent. One hardly need say anything about the United Kingdom in view of all the controversies that have existed in that country within the last few weeks and the severe inflation problems it has had. This does not mean that we cannot do anything about it. However, let us look at what we have done about it.

An hon. Member: Nothing.

[Mr. Cafik.]

Mr. Cafik: If the hon. member thinks that the reduction in the price of bread is nothing, all I can say to him is that he does not know what fighting inflation is all about. If the hon. member for Athabasca says that escalating the old age security pension, the guaranteed income supplement, the family allowances, the veterans allowances and the public service pensions is not an attempt to fight inflation, all I can say to him is that this is the kind of nothing we are very proud of.

Mr. Yewchuk: Mr. Speaker, may I ask the hon. gentleman a question. If the government has done so much to reduce inflation, can he explain why it went up from 5.1 per cent a year ago to 9.1 per cent.

● (1700)

Mr. Cafik: I am sorry; I did not have my earpiece on.

Mr. Yewchuk: I will repeat my question. If the government has done so much to lower the rate of inflation, can the hon. member explain why it has risen from 5.1 per cent a year ago to 9.1 per cent today?

Mr. Cafik: I am talking about steps the government has taken in specific areas to keep down the cost of living. There is no question about this in terms of bread prices; neither is there any doubt about it in terms of milk prices. So far as oil prices are concerned, if the Conservatives had been in power and had allowed the kind of rip-off we have seen by the private sector to increase the price of oil to Canadians, we would be looking at a price which was not too far from 75 cents to $1 a gallon right across Canada.

Mr. Baker: We are being ripped off in oil by your government as well as in everything else.

Mr. Cafik: If hon. members would like to ask questions, I would be prepared to entertain them at the conclusion of my remarks. I am not trying to be partisan; I am simply trying to give hon. members the facts as they really are. It is quite fair for any member to say that the government has not done enough. It is quite fair and reasonable for someone to ask why we didn't do this or didn't do that. But to say that this government has done nothing to offset the effects of inflation is just unadulterated political nonsense. To say we have not done anything to hold down prices in certain specific areas in this country, whereas the fact is that we have taken action to hold down prices, is equally unadulterated political rubbish.

In addition to that, Mr. Speaker, aside from the anti-inflation steps I have already indicated, we have adopted a proposal which I think even hon. members opposite would believe to be significant. We have indexed tax exemptions for children, etc., to meet the rise in the cost of living. Since that step has been taken, some 175,000 people have been removed from the tax rolls and the amount of tax paid has been reduced by 6.6 per cent. Certainly that action has done something to offset the consequences of inflation.

The government has also taken steps in a number of other areas which I think are equally well known and to which I alluded earlier. First of all, we have almost tripled family allowances. I think it was high time this was done and it was a step in the right social direction. Certainly it

has placed income in the hands of those who are raising children, and this increase in income has more than offset the amount of inflation we experienced during the past year, since the figure now averages $20 per month per child across Canada.

As far as old age security and the guaranteed income supplement are concerned, last year single pensioners had their pensions raised to $183.99 a month. Married couples received, with the guaranteed income supplement, $351.02. Both payments are escalated on a quarterly basis to accommodate the increase in the cost of living. To say that these are not steps in the right direction is to say nothing at all.

I have heard many people talk of the problems confronting those on fixed incomes. We all know these problems exist, but in a very real way now, the number of those on fixed incomes, compared with one year ago, has dropped. By escalating the OAS and GIS payments in line with the cost of living increase, these incomes are no longer fixed but are escalated in line with the real cost of living. That fact ought to be taken into account by anyone who looks at the situation in an objective way.

The throne speech also makes many references to oil policy, agricultural policy, transportation, urban affairs, and so on, and I should like to address myself briefly to a number of these items. First of all, the Prime Minister (Mr. Trudeau) announced the government's oil policy in this House last December 6, if I remember correctly. I strongly applaud the steps that were taken at that time—indeed, the steps taken even prior to that time—so as to make sure that increases in the international price of oil would not accrue to the major oil companies but would in fact be preserved for Canadians. This was done through the action of the federal government in co-operation with the provinces. That was an important step; it made sure these windfall profits generated by the increased demand for oil in the world and by the war in the Middle East were not inherited by the oil companies. I am sure all Canadians would basically agree with that.

I also applaud the decision at that time to build an oil pipeline from the west to the east. At this stage of the game this means from Ontario to Quebec. I, along with many others, advocated the need for an all-Canadian pipeline and I am delighted that the government has announced construction of an interim pipeline along a southern route, with construction of an all-Canadian line over the long term. This is particularly important because I, as a Canadian, am not very comfortable when I realize that an energy-carrying line form the west to the east can have the valve closed, at least theoretically, by Washington. If we are to be independent in name as well as in fact, I think we must make sure we have total security of supply within this country; and I think the decision the government made at that time is consistent with this over-all view regarding the preservation of a Canadian national identity and sovereignty.

I feel very strongly that Canada cannot survive as a nation unless we have what I feel is a very basic requirement in this country, a common market. A common market means that the resources of all the provinces are essentially to be used for the benefit of all Canadians from coast to coast. Thus, I applaud the action the government has taken in the face of enormous criticism from many quarters, particularly on the opposite side of the House, to stand firm for what is Canadian as opposed to what is provincial or local. I think we must stand firm with a national policy to ensure that the resources of this country are used for the benefit of all Canadians.

I also applaud the establishment of a Canadian petroleum corporation. I hope its initial purpose, that of pursuing research and development of the Athabasca tar sands and that sort of thing, will be extended to give us a far greater degree of control over our national resources so that we as Canadians can reap the benefit rather than the multinational oil corporations and private individuals. I think that all Canadians understand that although oil prices need not increase in Canada on the basis of cost increases at the wellhead, in the long run the price of petroleum products in Canada will increase since new technology has to be developed to extract oil from the tar sands.

Many would argue that this means the price of oil in Canada today ought to be increased so as to provide funds for this kind of research. I would not object to that, provided the increase was reasonable and staged and the increased revenue was in fact used toward achieving that goal. However, I object very strongly to this argument being used as an excuse to provide higher incomes to the multinational oil corporations for the production of oil already discovered in this country and which does not cost them one nickel more to produce. I would like Canadians to have an absolutely iron-clad guarantee that the extra benefits oil companies receive are used for the development of new resources in the interests of Canadians, and not in the interests of the multinational oil companies and their investors.

● (1710)

I think the same principle ought to apply, with very strong safeguards, in respect of the tremendous advantages the oil companies and other resource development companies have enjoyed through tax incentives. These special tax privileges must be used to undertake research and development. That would be fair. But if these companies are really using the money that accrues from increased prices and tax incentives for the purposes of development, why cannot we do it through a national corporation? If they do not enjoy a rip-off through this kind of incentive, then they should be as happy as we parliamentarians to see that that money controlled by the government is earmarked, in co-operation with them, for specific purposes rather than going into their treasuries.

I also wish to speak briefly about the emphasis on agriculture which was contained in the Speech from the Throne. Agriculture is essential to our economy. There is not much doubt that the Minister of Agriculture (Mr. Whelan) has done a superb job in representing the interests of the farmers. In this area, the matters mentioned in the Speech from the Throne are very important. It says we must provide an adequate supply of food in our own country at reasonable prices both for the consumer and for the producer. Obviously, this is not an easy equation to work out, but in terms of principle it is highly desirable. A large number of steps are outlined to achieve this objective. I want to bring just two or three of them to the

attention of the House because I think they are of particular significance.

First, we must improve the availability of manpower for the food production sector of our economy. Anyone representing even a modest agricultural riding knows the great problems being experienced by farmers in securing adequate manpower. It is also important that we provide assistance and financial incentives to young people to enable them to become established in farming. This is a matter of great concern, bearing in mind the average age of our farmers. If this is not done, then severe problems lie ahead not only for Canadians in the long haul but for the world in general. As an agricultural nation we have a tremendous responsibility not only to our own people, to our farmers and consumers, but to consumers throughout the world. Any human being worthy of the name must have deep concern when he sees so many people throughout the world going short of food when we have the capability to provide much of it for them.

I have consistently advocated increased availability of reasonably priced feed grains. The price of feed grains has increased because of international shortages and a number of other factors. This in itself is an enormous item which is reflected in the increased cost of food. I advocate subsidies on feed grains to a significant degree, not only in the interests of consumers but of farmers.

I am also quite pleased that the Department of Industry, Trade and Commerce was alluded to so prominently in the Speech from the Throne which spoke about aid to small businessmen. These persons are certainly in need of considerable aid. We have many programs now to assist industry in Canada. We are familiar with IADA, PAIT, PEP and others. A number of them provide forgivable loans and other free money for various purposes that are deemed to be in the national interest. I applaud some of those programs. However, the area on which we must concentrate is that of providing capital to business people who need it, at reasonable interest rates without any forgivable feature. Many small business people suffer badly because they cannot get adequate financing. I praise the government for its initiative in talking about a federal development bank. I certainly hope this will provide funds to businessmen at better interest rates than were available through the IDB which it is to replace. This is one of the most fundamental problems in our country today and it must be dealt with quickly.

When speaking about small businessmen, I also wish to mention problems that surround the DREE program. Mr. Speaker, I am not being critical of that program because we all realize the importance of correcting regional disparities; however, it has some offsetting disadvantages in other areas. My riding is situated on the outskirts of Toronto and contains a number of manufacturers who need funds for expansion of their businesses. It would not be in the public interest for them to be squeezed out of business, or to think they are being squeezed out of business, by the application of DREE grants and other incentives to other parts of the country. This creates an enormous dilemma for the Minister of Industry, Trade and Commerce (Mr. Gillespie) and for parliament, and we must look at it. One way to correct it would be the establishment of a new kind of industrial development bank which would provide loan capital at reasonable interest rates to people outside designated DREE areas who badly need capital.

Now I wish to deal briefly with transportation. There has been a lot of talk about the difficulties between the western provinces and the federal government regarding the oil crisis and how the tax money will be divided. Frankly, I believe a large part of that problem would disappear if, as suggested in the throne speech, we were to introduce realistic freight rates that would end the discrimination which now exists. As a member for an Ontario riding, I have no great reason to say that; but, Mr. Speaker, I have had the good fortune to travel across this country of ours and I have a great deal of concern for the maritimes and for the west. I realize this is a problem for all Canadians and not just for Canadians in the west or in the east.

In what I call the golden horseshoe around the Toronto area there are many people, if not the majority, who feel that we have expanded too fast and too much and that it would be a good thing to decentralize some manufacturing industries to other parts of the country which need them. I subscribe to that view.

● (1720)

I am hopeful, too, that we will take steps toward improving commuter transportation as well as look at the freight rate situation, and will put more emphasis on rail passenger traffic in this country. We need a system which is more efficient, consumes less energy and is more desirable than many other forms of transit that we have at the present time. Rail is part of the answer. I must say, in a negative way, that I have been a little disturbed over the years by people who say that the CPR and the CNR are really outside our control. In my view, parliament controls the regulations and the acts under which these bodies, operate, and if we are not willing to take the kind of steps that need to be taken in the field of transportation, then it is high time something was done about it.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member, but the time allotted to him has expired. He may continue, however, if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Cafik: Mr. Speaker, I thank my colleagues. I notice that one of them on the opposite side has his fingers up indicating "two". I do not know whether that is some sort of comment about my speech, or whether he thinks I should have only two minutes. I remember once before giving unanimous consent and finding out that there was no limitation once it had been given. I am not trying to scare hon. members, and I shall try to keep my remarks to a minimum, but I have a few more points to make. As I say, I appreciate the indulgence of the House.

An hon. Member: You are getting better all the time.

Mr. Cafik: Thank you. I thought I would save those negative comments until I needed consent, so that I would get it. I should like to pursue the question of a transporta-

tion policy for a moment. I think all hon. members probably realize that I inherited the proposed airport at Pickering which has caused me considerable grief. I recommended, of course, an independent inquiry, which is now sitting on that question. I certainly hope that the inquiry and the Department of Transport bear in mind questions such as the short fuel supply, and so on, and the fact that these are non-renewable resources. I hope they consider the steps we need to take in terms of a future transportation policy in regard to commuter transit over short distances, say within 50 miles of major cities.

I am not saying that such a system would automatically rule out a second airport for Toronto, but it would have a tendency to go in that direction. I am not an expert on whether airports are needed or not, but I think the department and the independent inquiry should bear in mind any new steps taken by the government of Canada toward a transportation policy which might affect the decision which was originally taken and sustained. The independent inquiry would be well advised to take into consideration all the relevant factors on the whole question of transportation which have come to light within the last six or eight months.

There has been some mention of housing and I have a question in respect of that problem. Much to my surprise, there appears to be a rather broad base of agreement on such questions as land banking and providing federal and provincial funds therefor. That seems to be the conventional wisdom today. But I have grave reservations about land banking and the development of "instant" cities. It seems to me that proper development in this country ought to occur around existing communities and should not create instantaneous communities such as the type suggested east of Toronto. An example is the Cedarwood development, which is nothing before it starts and when it is over it will not be very much. In terms of being a social unit it will not provide for the real needs of human beings who want to live close together.

If we are making the mistake of going heavily into land banking, it seems to me we are encouraging the development of large banks of land around the large cities. The cities will take advantage of this, not the smaller communities; therefore we will be providing an incentive to make our large urban areas even larger. That scares me a great deal, Mr. Speaker. I think cities such as Toronto are big enough now. We need expansion around the smaller communities. I think such expansion would solve not only the housing crisis but would have a beneficial effect on the price of land. There should not be large-scale developments concentrated in one area, if this was avoided a much more meaningful kind of human environment would be provided wherein people could live and raise their children. This is basically going into the past, but in the past small communities have provided a great deal. We should be very careful before we destroy that kind of thing for new and novel schemes which may temporarily appeal to many people. We may find that we have made a serious social mistake.

Mr. Baker: I rise on a point of order, Mr. Speaker. I realize that we gave unanimous consent to the hon. member to continue, and the hon. member for Edmonton West (Mr. Lambert) did put up his hand with two fingers outstretched. I also realize that there is no limitation once consent is given. But I wonder, through you, sir, if I could ask my hon. friend to terminate his remarks, interesting as they are. There are other hon. members who wish to speak. I wonder if I could ask Your Honour's indulgence.

Mr. Speaker: I tend to disagree with the hon. member's interpretation of the rule; I think there is the right to withdraw consent. I do not believe the fact that the House gave the hon. member consent to continue gives him leave to continue indefinitely. I do not think the hon. member proposes to do that, but if hon. members at this time wish to withdraw their unanimous consent, he would have to yield the floor.

An hon. Member: He is going to say, "In conclusion".

Mr. Cafik: Mr. Speaker, I appreciate the indulgence of the House. I thought, from all the smiles on the other side, that hon. members were very much in agreement and wanted me to continue. In conclusion, I very much favour the establishment of a human rights and interests commission as suggested in the Speech from the Throne. I say, too, that I believe if we all work together as parliamentarians rather than as members of a particular party, this second session of the twenty-ninth parliament will be as productive as the last session and of great benefit to all Canadians.

Mr. Alexander: It is up to you.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to begin, as so many others have, by associating myself with the tributes which have been paid to His Excellency the Governor General, to his lady and also to the newly appointed Chief Justice of the Supreme Court of Canada. Also, I should like to pay tribute to Your Honour. It is good to see you back again presiding over this new session with your usual calmness and impartiality. I enjoyed the address just concluded by the hon. member for Ontario (Mr. Cafik). It was reasonably nonpartisan though it contained a lot of self-applause in its early stages. We agree with much of what the hon. member said, and it is good to see he is changing his views.

On the basis of past experience, I think this Speech from the Throne can be fairly stated not to be a particularly credible document. It reads well, and if we could be certain that what is set out in the document would truly be implemented, we could talk about it in a much more meaningful way. It is interesting to note some of the remarks which are conspicuous in the speech both by their presence and by their absence.

• (1730)

There is no reference, even in an oblique way, to the famous just society which has been so prominently talked about in some past speeches made by the Prime Minister (Mr. Trudeau). I was so interested in the origin of the phrase "the just society" that I thought I would see where it came from. For the record, and if I am wrong I will stand corrected, I believe that those who are interested will find the origin of the phrase in the issue of the New York *Times* of Thursday, May 4, 1968. The phrase "the just society" should really be attributed to the great Czech

patriot, Alexander Dubcek. He is reported to have said in an article by David Binder which was special to the New York *Times*, datelined Prague, "We are aiming for a truly just society." For the record, that great patriot should be given his due for coining that phrase. In passing, it is fair to say that he faced many more obstacles in establishing the "just society" than did our Prime Minister.

This afternoon the hon. member for Malpeque (Mr. MacLean) said it is unfortunate that a member of parliament, in the few minutes in which he speaks in a throne speech debate, has to cover so many subjects. As he said, our rules make this necessary. May I begin by talking of the energy situation in Canada and particularly about the energy crisis affecting eastern Canada. We in eastern Canada feel let down. Not only is the security of our source of supply of petroleum tenuous, according to reported statements by people in a position to know, but our once prosperous and important coal mining industry has been allowed to deteriorate to the point where it hardly exists.

Since there have been so many references to pipelines, and since so many have been speaking as to who thought of the pipeline and who suggested it, I think it should be pointed out for the sake of the record that paragraph 2 of part VII of the policy document considered at the priorities for Canada conference called by the Conservative Party at Niagara Falls from October 9 to 13, 1969, reads:

> Strengthen the national oil policy by including a pipeline to Montreal to serve a minimum of one-quarter of Quebec needs as a security protection against the interruption of oil supplies from politically unstable areas.

Again, by way of background, let me mention some questions and answers which were raised in this House on May 29, 1970. On that day the hon. member for Dartmouth-Halifax East (Mr. Forrestall) asked the then minister of energy, mines and resources, Hon. J. J. Greene, the following question as recorded at page 7481 of Hansard for that day:

> Mr. Speaker, would the minister advise the House whether any contingency planning has been carried out to date with respect to eastern Canada's position vis-à-vis our traditional sources of crude oil? Could he also indicate whether the low level of prices we pay for oil in eastern Canada is to be preserved under any planning that has been done?

The minister answered as follows:

> Mr. Speaker, there are no plans at present to change the national oil policy which connotes that oil for the eastern market will be offshore oil. If there is any plan to change the national oil policy from its present course, then of course that would be announced in the House in the normal manner.

Other members asked questions, including the hon. member for Calgary North (Mr. Woolliams). One NDP member wondered, in so many words, whether Venezuela was a secure source of supply and whether any change in our oil policy was being considered. The minister said that in view of the very good potential of large quantities of economically priced oil being made available to eastern markets from offshore, consideration was not being given to any change in our national oil policy.

We in eastern Canada feel badly about the government's position and lack of policy. It is in order now for me to request the government earnestly to atone for its singular lack of foresight, and it should press ahead with construction of the pipeline. That construction should be given greater priority than now appears to be the case. Despite the urgency of the problem, I do not see evidence of any truly national commitment for building this pipeline on an emergency or crash basis. I say that the Minister of Energy, Mines and Resources (Mr. Macdonald) should accelerate this program and do something meaningful at once, instead of making vague statements as to which route would be more preferable, and for what reason.

Speaking of coal, the government recently indicated that it is interested in allocating funds to Cape Breton Development Corporation to pursue more active research and development in order that we can better utilize the coal in eastern Canada. Our coal should be used for domestic heating and for cooking purposes as well after suitable treatment to remove sulphur. Recently, the Cape Breton Development Corporation displayed a remarkable lack of foresight. Being apparently unable to fill an order, it had to buy a large amount of coal, at great expense, in the United States for coking purposes; then, lo and behold, through inexcusable lack of foresight, large quantities of this coal were found to be unacceptable for the purpose intended.

This type of thing characterizes the poor administration of Devco operations. There has been poor administration and poor maintenance regarding the mines; also poor safety precautions, examples of which have previously been brought to the attention of the House. I will not elaborate on it at this time; will merely say that an uninspired record is shown in research and development, and I am glad to see more money allotted in the estimates for this purpose.

With regard to the environment, there is no commitment in the Speech from the Throne to do anything very meaningful to control conditions in parts of the country where environmental controls are necessary. Not too long ago there was a federal department known as the department of forestry. It has been completely absorbed by the Department of the Environment. Although there may be problems connected with provincial jurisdiction, surely the government knows how desirable it is to encourage provinces to use funds, perhaps made available through ARDA, for more active programs of reforestation. The denuding of forest lands in eastern Canada is causing difficulties with flood control and is bringing about other undesirable side effects. It is time the government seriously encouraged action in respect to reforestation, in conjunction with the provinces.

I always hesitate to mention unemployment insurance since so much has been said about it. Recently I wrote another letter to the minister on this topic. It seems that quite a number of people for one reason or another have been getting more benefits than those to which they were entitled and they are asked to repay the excess, and in some cases all of their benefits. When a person receives unemployment benefits to which he is not entitled, it means that an administrative mistake has been made. When a person in poor circumstances receives a considerable sum of money and then is forced to repay it even if his circumstances have not changed, the result is sad.

However, as in so many other areas, this government does not want to take responsibility for mistakes. I con-

tend—and I say this through you, Mr. Speaker, to the minister—that when through an administrative mistake a person has received a considerable sum of money to which he is not entitled, some penalty should be imposed in order to discourage officials from making that type of mistake again. Nobody in this House suggests that anyone should get something for nothing. Nevertheless, if a person gets money to which he is not entitled, and gets it through no fault of his own, some lesser amount should perhaps be paid back and the difference should be made up in some cases by those who were responsible for the mistake. At one time this sort of thing was done in some financial institutions, and it may still be done. The trouble is that officials do not want to take responsibility under government programs, and the unwilling victim of this situation is often the person who is not responsible for the mistake in the slightest degree.

● (1740)

As far as regional development is concerned, having read the current Speech from the Throne I see no great cause for rejoicing. Lip service is paid to regional development; and that is about all. At one time there was a great priority on this concept proclaimed by the government, on the basis that there was nothing more important to Canadian unity than regional development to relieve disparities in our country. I was particularly interested in listening to the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey) speak this afternoon. He made it sound as though everything is ideal in his part of the country, although later in his speech he denied that. I was reminded of what a great Newfoundlander and great Canadian, Joseph R. Smallwood, said in his book "I Chose Canada" on the topic of regional disparity.

I think it is fair to say that not many provincial premiers fought harder for the alleviation of regional disparity than Mr. Smallwood. I think it would be interesting and for the edification of hon. members who have not had time to read Mr. Smallwood's book if I quoted briefly what he said about regional disparity, for this is a very serious matter for Canada, particularly the eastern part of our nation. At page 482, Mr. Smallwood wrote:

> There isn't the slightest doubt that Canada's four Atlantic provinces are still miles and years behind the rest of Canada. These four provinces have made real progress in the last quarter of a century; but the gap today is wider and deeper between them and the rest of Canada than it was before. The Atlantic provinces are farther behind or below the Canadian average than they were 25 years ago. At a federal-provincial conference in Ottawa, I once quoted Abraham Lincoln's dictum that "this nation cannot endure half free and half slave" and said that Canada could not be the great, harmonious, and happy nation we wanted it to be while nearly half the provinces were lagging badly behind the others, and the discrepancy was becoming more acute all the time.

I will not quote from this excerpt at great length. Mr. Smallwood went on to say:

> Mention the idea of the underdeveloped provinces being permitted easier credit in times of tight money, and a look of distaste comes over Ottawa's face. Mention the idea of tax-free bonds for the underdeveloped provinces, and Ottawa's only answer is a palpable inaccuracy—namely, that in the United States, where that financial device is so widely used, it is going out of fashion. Let an underdeveloped province make use of the Crown corporation technique to get development, and all hell breaks loose. The policy of reducing so-called regional disparity boils down, in the end, to a half-hearted willingness to dole out money for road paving, water and sewer systems, schools, and hospitals.

He continues:

> —with the exception of a few brave souls, nobody in Ottawa has the slightest belief in the likelihood, or even the possibility, of the four Atlantic provinces ever being much more than mere markets or colonies for the rest of Canada. They won't admit this; they'll deny it with vehemence, sarcasm, wit, indignation, and in a variety of other ways, for of course they can't possibly admit it—except in action.

He concludes this particular chapter by saying:

> Some day there may come to Canada a government that will brush aside all weasel thoughts of the Atlantic provinces as Canada's poorhouse; one that will attack the problem with nerve, employing for an experimental period of ten or twenty years the devices that have been condemned in the past, and others that it will think up, to get these four provinces 30 or 40 years ahead in the space of a decade or two.

Based on the performance of this government, we can be sure of one thing: it certainly will not be the one to take those steps. I commend those words of the former premier of Newfoundland to the present minister of regional development.

There is some mention about fishing in the Speech from the Throne with which we are dealing today. I note with interest that it states the government will wish to consult with provincial governments, consumer groups and producers. Once again I ask members to forgive me if I appear a bit skeptical as to the government's intentions, because at a political meeting in Nova Scotia last night the minister of fisheries for the province of Nova Scotia admitted that many regulations had been made regarding the fishing industry and "imposed without fishermen having an opportunity to express their feelings."

We have seen many examples of lack of co-operation between federal and provincial governments insofar as fishing is concerned. Although some members opposite may not believe this to be true unless they have had the experience, I can assure them that as far as Nova Scotia is concerned, there was a great deal of backing, filling and attempting to evade responsibility before the fishermen in Atlantic Canada whose industry had been grievously damaged last June got any payment at all for their losses. The minister first said he was consulting with his provincial colleague. i was then told it was in the hands of the Minister of Finance (Mr. Turner). When members from all sides of the House pressed the fishermen's claim, it was still many months before any payment was made.

It is high time there was a little co-operation between the federal and provincial departments of fisheries. When you look at the past history, it is easy to see why even new members like myself are disillusioned with the credibility of a document such as this, after having read some of its predecessors and experienced some of the practical effects of what was not done to implement speeches from the throne in recent years.

As the hon. member for South Shore (Mr. Crouse) knows has said so well, there is certainly a great need for assistance in the fishing industry of this country. The hon. member for Grand Falls-White Bay-Labrador asserted that the present policy of extending the limits of Canada as far as jurisdiction over fisheries is concerned is a Liberal policy. It is obvious to those who have gone into the past history that that statement is as palpably inaccurate, as this government now trying to take credit for the idea of putting the oil pipeline through to Montreal. The

record should be put straight on this particular point as well.

As far as finance is concerned, there are many more learned members than I who have given discourses on the subject. I do not intend to repeat what they have said better than I could. However, one thing that is indicative of the government's lack of commitment to do anything tangible in the field of finance on the domestic scene is the continuing neglect of the Minister of Finance of what should be a routine housekeeping measure, setting a very bad precedent—to rest. We in this country have a bond issue of some $50 million that was issued in 1936. It is known colloquially as the perpetuals. These are Canada Savings Bonds that were bought by Canadians in good faith many years ago. Today they are selling at ridiculously low prices because the sky-rocketing interest rate, on present-day Canada Savings Bonds has made their return so negligible that nobody wants them. These bonds are selling on the open market for about $35 or $40. The Minister of Finance has been approached by many members, including myself, and requested to do something about this situation,

I think it is disgusting for bonds of a nation like Canada to be kicking around the financial markets of this country like orphans, selling for less than half their face value. Many members have approached the minister about this matter and I know he has given it some thought. He said the government is a little puzzled about what it should do. It does not want to see windfall profits made: it does not want to do anything unfair. Well, Mr. Speaker, windfall profits are made and money is lost on the market every day. Any government so insensitive toward bringing in a selective capital gains tax to protect people from being hurt by it, which tax was never really designed to apply to them, should not worry too much about a little windfall gain for some people who bought their country's savings bonds years ago in good faith. Perhaps the minister should raise the interest rate on the bonds current rates and raise the rate of return.

● (1750)

I am sure the serial numbers of these bonds are on record. Perhaps the minister could say that if anyone held these bonds and could prove ownership for five or ten years, they could be redeemed at face value. This would be an equitable solution for some. After all, this is no more than is possible with respect to the current bond issue regarding redemption, I find it almost ludicrous that the Minister of Finance, who is responsible for a highly complex portfolio and who is no doubt a very capable minister—I am not denigrating or denying his capability—cannot find a way to redeem these bonds. After all, he is a spokesman for Canada at complex negotiations such as those conducted under the International Monetary Fund, and I think this is as good a time as any to put this request forward on behalf of many Canadians who are being hurt by the government's lack of action.

Perhaps I might take a minute in which to urge the Minister of Finance to do something else, too. I think it is time he considered varying the present unimaginative capital gains tax. Other nations which impose such a tax and have done so for some years have found it possible to make interesting variations designed to take the sting out of the tax in cases where it was not really meant to apply. I fail to see why a man who has systematically purchased securities over the years, for example to provide for his retirement or for the education of his children, or a man who has bought securities through a payroll deduction plan and has retained them for years, should be taxed when he sells them on the same basis as one who habitually deals in the stock market.

[Mr. MacKay.]

I fail to see why the minister, if he sincerely wishes to give ordinary Canadians a break, especially when they are trying to provide for worthwhile projects in their future, cannot put together a workable scheme to vary capital gains on sales of securities and make the tax more flexible. Perhaps he could say that up to a certain sum, maybe $20,000, a Canadian who purchased securities in Canadian companies and retained them for five years, or ten years, would not be subject to the same type of capital gains tax when he sold them as, say, a financier who on the basis of his intuition or some inside information bought a thousand shares of Cominco or Imperial Oil and made a few thousand dollars in two or three weeks.

As the hon. member for Ontario has said, there is much to be done in the field of transportation. I would say to the Minister of Transport (Mr. Marchand) that it is time the government addressed itself seriously to some of these long-standing problems. It is not that the problems are not known. They are. Indeed, the solutions are known in many cases. It is just that the government has been too timid or too preoccupied or too lazy to act. For example, two years ago the then minister of transport said he was going to make sweeping legislative changes. He did nothing. What would be wrong about severing the association of Air Canada with the Canadian National Railways' system? Ministers have themselves agreed that this is a good idea in principle, but nothing has been done about it.

What would be wrong about reconsidering part III of the National Transportation Act and setting up a system designed to cope with the requirements of motor carriers across the nation, perhaps an interprovincial trucking board? What would be wrong about establishing a separate Crown corporation to handle ferry services to our island provinces? What would be wrong about considering the staggering of labour contracts affecting our major transportation systems so that all the contracts would not expire at the same time, paralysing the nation and effectively destroying the normal collective bargaining process? There are all sorts of innovative and common sense things which could be done to improve our transportation system. We could improve passenger facilities, for example, or get on with a program of electrification of the CNR and improve the roadbeds. As I say, there are many things which could be done, but they can only be achieved if the government is sincere in wanting to see them accomplished.

I return now to the theme with which I began. How can we in the opposition really take the Speech from the Throne seriously? We have heard of the little boy who cried "wolf" too often. The government and its supporters are apparently sincere. They say they have a constructive program, and they ask for our co-operation. They may be sincere, but on the basis of past experience we can hardly be blamed for being skeptical. There is no doubt the

government is worried about inflation, and well it might be because inflation is the number one topic which disturbs Canadians today. It is robbing us all. I find it very strange, when I look back over the statements the Prime Minister has made—I sometimes try to ascribe some credibility to him and to his government and see statements such as appeared in the Ottawa Journal on December 24, 1971, as reported by the Canadian Press: "Prime Minister Trudeau said flatly Wednesday that inflation no longer exists in Canada." That has to be one of the great statements of all time. That was about the same time he told us there had been a fantastic breakthrough with President Nixon. Needless to say, neither of these particular predictions came true, and now in fact we hear reports that the United States congress is considering strong retaliatory measures of the type taken against Michelin Tire of Nova Scotia, against Canada and other nations which give too great a measure of assistance to certain of their exporting industries. Some breakthrough!

If inflation were an abstract, philosophical topic or a metaphysical phenomenon, the country could afford a comment of this type from the Prime Minister. We could debate it philosophically and marvel at the logic, convoluted or otherwise, that it reflected. But, instead, it is a very vital issue, one which hurts us all, and until the government does something meaningful about it we can only remain skeptical. The hon. member for Ontario said, in effect, "What's $10 million." Information Canada costs $10 million. That is picayune. What about the $600 million the government has spent in the last fiscal year on consultants? That, I suggest, is hardly picayune. That might be a good place at which to start reducing some of the waste in government.

I see it is six o'clock, Mr. Speaker. I conclude my remarks by simply saying that if people could be sure the government really meant to do something about the ills which trouble the country, if they could be sure it would be forthcoming with quick, constructive decisions, they would certainly give the current Speech from the Throne the support which perhaps it should receive on the face of it. We in the opposition shall watch very carefully in the weeks ahead to see whether, just for once, the government is sincere. If it is, it will certainly receive constructive co-operation from this side of the House.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, we are now beginning the second session of the twenty-ninth parliament. Everything here interests me enormously. This new task and the active involvement in the satisfaction of my fellow citizens in this highest of Canadian institutions, the federal Parliament, hold great interest for me.

I shared with my constituents from Rimouski a deep feeling of pride when I heard the Speech from the Throne on March 6, given by the Governor General Mr. Jules Léger in the presence of Mrs. Léger, the honourable senators, the ministers, the members of Parliament and their wives, as well as many Canadians from all parts of the country. This ceremony was also carried on the French and English television networks.

I would like to congratulate the mover and the seconder of the Address in reply to the Speech from the Throne (MM. Stollery and Pelletier) who acquitted themselves admirably of their difficult task by defending the position of the present government as well as the situation of the people who still live without the advantages to which they are entitled in Canada in 1974, while those among their fellow citizens who are more fortunate, benefit fully from the natural, cultural and spiritual resources provided bountifully by the Providence and made available, through the talent and work of the adult population of Canada, to all Canadian consumers.

However, I should like to point out that they have only begun their work in this field and that it is up to us, as members of this House, to continue and complete the task of distributing more equitably our unlimited resources among all our full-fledged citizens without exception, by introducing timely legislation during this session. I would like this session to be consumer instead of producer oriented as was the case in previous sessions.

There are no poor here, only Canadians deprived of their natural and providential rights, of their individual and universal rights, officially recognized in the International Declaration of Rights signed by the United Nations on December 10, 1948, three years after the Second World War armistice, as well as in the Canadian Bill of Rights voted unanimously by the Parliament of Canada and signed on August 10, 1960.

Why then must we keep on talking of inflation, unemployment, poverty in a country as rich and fertile as Canada, when in 1973 our gross production totalled $114 billion, which means $5,000 per capita and readily proves that the national production is not lacking; but the hitch is in the distribution of goods and services among all consuming citizens, whether producers or dependents.

In trying to clarify some points, Mr. Speaker, after attending a complete session of this Parliament and as one of the new members relected on October 30, 1972, sitting among members reelected once or more, I cannot but thank all members and ministers for their benevolent attitude towards myself and for the attention that I have been favoured with.

For these reasons, I do not wish to offend anyone without reason, feeling the obligation, under the circumstances, of making a detailed report of my observations over the past 15 months, particularly concerning the financial system in Canada, the monetary system, the administrative system, we could say that the whole capitalist system but chiefly the monetary system; I have been elected under the label of the Social Credit Party of Canada and I am proud of that perfectly conscious and grateful.

● (2010)

As I said and I want to emphasize it again, what I learned when I met with teachers and proponents of Social Credit helped me—understand the values and—methods of the capitalist system, the socialist system and

even the communist sytem. Of all those systems, I prefer the capitalist system even with its defects and shortcomings. I am convinced that it is the best to satisfy people who insist on the quality of life, the respect for other people, the scale of values, and the value of a human being.

If I could sum up in a word my true position here after one session in Parliament, I would say that I am today a capitalist Social Crediter. We must realize that those two words are not inconsistent but they are complementary. One can be a Social Crediter and remain capitalist, or capitalist and remain a Social Crediter.

Mr. Speaker, if I have astonished or surprised many members here, particularly members from older parties, I must give them some satisfying explanations, and I have a magnificent opportunity to do so by using reports published in the *Canada Gazette* on December 8, 1973, on the great results obtained by ten Canadian banks which are the core of the whole economic life in Canada in its financial relations with all countries in the world.

We are tied to all the other nations of the world not only by oil but also and more so by money. Oil and money could bring disagreements between peoples but also they are the cause of relations between citizens and peoples.

If the Progressive conservatives want to defeat this government on the oil issue, I would like to support and maintain the government on the question of money, finance, capitalism, simply asking that this government take immediate action to remove from the capitalistic system, from the banking and financial system, the deficiencies and the shortcomings which still prevent them it from having the whole people take part in the production they can provide us with.

And it is here, Mr. Speaker, that our knowledge of the Social Credit can be useful to the reformation and the improvement of the social capital because, on the whole, credit is only an extension of capital. When there is enough capital, there is no need for credit. If social capital completely suited everyone, we would not need the Social Credit because all citizens would have social capital in proportion to their needs, desires and ability to enjoy it.

Does not social capital itself depend from social work? Are we not all made to live in society? In social life, work and capital are necessary. We must thus all be capitalists, in fact or in wish. Everybody wants to be a capitalist, that is to say to possess something, to have a lot, a house, a business, furniture, a car, instruction, a good character, friends, a family etc. But it is all this that makes one a capitalist, to have the freedom to choose between the things which we fell necessary, useful or pleasant in life. But we need money today to buy these things. We need money even to buy oil. What is true of the difficulties between countries is also true of the difficulties between the citizens of each country.

Oil and money are necessary everywhere. Thus, I want this government to solve the problem of oil. I also want them to solve the problem of money. If the Progressive Conservatives want to defeat this government because of the oil problem, I want to keep it in office because of money problems. And money problems can be solved here in the Parliament of Canada immediately among ourselves according to our legislative powers. Our oil problems depend for a large part on foreign countries. So if we want to solve anything it is becoming pressing to solve first things which depend on us, which are within our immediate power—the money problems. If there is an oil shortage there is plenty of money. There is usually never any shortage of money but even if there is one somewhere it is because there is overabundance elsewhere in this country. There is generally plenty of money, so let the Progressive Conservatives instead of trying to defeat the government on an oil issue, keep it on the issue of the abundance of money and its better distribution among all Canadians who are full-fledged citizens who must have guaranteed personal incomes either through their work, their capital or their personal vital rights. That is the first requirement of any democratic capitalist system which takes the people into account in its monetary, economic and political administration. That is the essence of our requirements, Mr. Speaker.

A good capitalist system includes not only big banks, companies, or national or multinational corporations. A good capitalist system needs all consumers, all workers, all capitalists, all university graduates wherever they may exercise their talent, their science and their competence.

So our capitalist system must be brought up-to-date in view of the benefits it can produce as illustrated in the last reports on the ten chartered banks as of October 21 last and published in the *Canada Gazette* on December 8, 1973. I am not making up those figures. I am not trying to mislead or lure anyone. I take those figures in reports most trusted by this government.

So, on October 31, 1973, our ten banks increased their assets by $14.4 billion, to the terrific sum of $75 billion, and they started with a sum of $60.6 billion on October 31, 1972. Imagine, Mr. Speaker, there is a spectacular increase of $14.4 billion over 12 months for ten Canadian banks. To put this phenomenal increase in the right perspective, in a year when all Canadians suffered from inflation, unemployment and poverty, when our governments repeatedly have to borrow and incur deficits in their administration, it is important to note that these increases were only $6 billion since the introduction of the 1967 Bank Act. But in 1973, there is an increase of $14.4 billion, that is to say 228 per cent more than last year. To better evaluate the impact of this important factor on Canadian finance, it is essential to know that in 1967, the banks' assets amounted to $30 billion in round figures, that is after 100 years, and 33 years after the creation of the Bank of Canada. But in six years, these assets have gone up from $30 to $60 billion, an increase of two and a half times.

I hope I have been well understood. I hope I shall not have to make that point again when I ask the Minister of National Health and Welfare (Mr. Lalonde) whether if he has found a magic wand or an alchemic formula to balance his budget, that of other families in the Rimouski constituency and throughout Canada, when I ask him to provide a guaranteed personal income to all dependents, unemployed and penniless, on the basis of their vital right.

I also hope that I will not have to bring up again the ticklish issue of the tremendous power of banks and multinational corporations, when I ask the Minister of Consumer and Corporate Affairs (Mr. Gray) to equalize

incomes, expenditures, taxes and reserves among consumers, producers and corporations, when I also ask the Minister of National Revenue (Mr. Stanbury) to treat ordinary people as fairly as professionals, unions and corporations, to do justice to labour as well as to management and to better balance their incomes.

In short, Mr. Speaker, let us not forget that if there is a shortage of oil somewhere, there is a great supply of money which is not properly distributed among all Canadians.

● (2020)

Mr. Speaker, the Speech from the Throne deals so much with inflation, unemployment and poverty in Canada in 1973 and 1974, let us not forget that all those symptoms reveal the national economic imbalance between magnificent production, defective consumption and extravagant capitalization, since in 1973, out of a $114 billion production, only $66 billion are earmarked for consumption, $48 billion for capitalization for the years to come, including $8 billion to be capitalized by individuals and $40 billion by private and public corporations.

Let us not forget that such an awkward distribution of a magnificent national production is the result of a legislation imposed by the only government in Canada, for it is the only government having the power to regulate trade and commerce, any mode or system of taxation, currency and coinage, bank laws and the issue of paper money as well as the interest on money, according to section 91 of the British North American Act, according to our present constitution.

Let us face up to things without trying to blame the past or criticize anybody. Let everyone assume his own responsabilities without forgetting especially the Minister of Finance (Mr. Turner), the most scholarly of us all, the most able to know the importance of the altogether simple and universal management method, according to which income includes expenses and profits; a method as necessary to the smallest consumer as to the Royal Bank of Canada whose current assets of $18.366 billion increased by $3.6 billion in a single taxation year, namely 1972-73.

I also wish that the President of the Treasury Board (Mr. Drury), who distributes family allowance cheques for the smallest children in Canada and the biggest cheque of the Prime Minister, would realize that there is no lack of money in this country when it comes to guaranteeing every dependent his minimum living wage, his individual guaranteed income, in direct relation with the national production of the current year, that will be over $5,000 per capita in 1974, or an average of $28,000 for a family of five.

I also wish, Mr. Speaker, that each member would think over the words that the Prime Minister (Mr. Trudeau) said on July 1, 1973, Confederation Day, where he stated proudly and I quote:

> The best part of our constitution stems perhaps from our set of values which puts in the first place the quality of life and gives such importance to the individual, where everyone can develop while respecting the characteristics of other people.

To conclude my remarks, Mr. Speaker, I shall summarize them as briefly as possible and insist with the Prime Minister on our set of values, respect for other people and the value of human dignity, as we keep on supporting our banks and corporations which can certainly produce and capitalize as they have demonstratd this year in an extraordinary way.

In view of the oil shortage, we are all convinced that we have money in quantities in all its forms and that money shortage is only artificial, temporary and casual, and that we are in a position to solve the problem immediately through the passage of legislation, as soon as we are ready to open our eyes on the real values of our Canadian democratic capitalistic system, by correcting immediately its defects and filling its gaps that threaten in the long run to make it lose its natural beauty. Therefore, we must simply proceed to a better distribution of what we are producing between all of us.

As far as I am concerned, Mr. Speaker, I speak of the respect we owe one another, in this House. Far too often, unhappily, we, in the Social Credit party, are ignored in our claims and are laughed at because of widespread prejudice. I would like you to know that all the Social Credit knowledge only helps us to better understand capitalism without recommending its destruction, on the contrary. As far as I am concerned, when I rise in this House, let us all be assured that I place myself in the atmosphere of the capitalist system in which we are living, working and paying taxes, while we see large banks and companies being granted substantial privileges, through our legislation, which even causes inflation, unemployment and poverty that we would be able to control as soon as we decide to do so, since our government have favoured or tolerated poverty, unemployment and inflation through technical measures. This Government will re-establish the national economic balance between individuals, families and companies through contrary technical measures and not thanks to an election or a threat of election.

If we are the higher institution in Canada, we must assume all our responsibilities and prove as a good administration in the balance and harmony of all the components of Canada.

Mr. Gaston Clermont (Gatineau): Mr. Speaker, at the outset of my remarks, I wish to congratulate my two colleagues, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier), the mover and the seconder of the Address in reply to the Speech from the Throne. They dealt with very important matters on various levels.

Mr. Speaker, the criticism made following the reading of the Speech from the Throne was the same as always, too many generalities, too many omissions, etc.

The Speech from the Throne is a document that stresses the points on which the government intends to legislate during the present session, but some events like the energy crisis during the last session may require bringing other pieces of legislation before Parliament.

But usually, as the session goes on, the legislative program set forth in the Speech from the Throne is brought before Parliament, amended in certain cases and finally passed. The speech read by the Governor General on February 27 deals with several economic, social and scientific matters, such as the energy crisis, inflation, means designed to offset its consequences and ensure supplies to

consumers at reasonable prices in the near and distant future.

So it is proposed to help small and medium-sized businesses, to amend the Unemployment Insurance Act and the Canada Pension Plan. First, I would like to deal with inflation which has spared no country in 1973. Several factors have caused the increase in prices, like bad crops, the growth of world population and, in many parts of the world, the shortage of food, changes in eating habits, the strong economic growth in several industrial countries like Canada, which actual growth rate was the highest in the last 17 years, have experienced in 1973 which has brought about a shortage of basic materials and food, the decrease of oil exports by some producing countries and price increases.

All these cases I just outlined have bad effects on food prices, materials and products involved in industrial processing and the building trade. In order to alleviate these effects, the federal government chose selective measures and continues to do so. Inflation strikes everybody, but particularly large families, people on average or fixed income as well as a large number of retired persons.

That is why we have seen the federal government pay subsidies to limit price increases of various items, such as bread, milk, heating oil, gasoline and other oil products, amend tariffs to allow greater imports of fruits and vegetables, increase old age pensions and the guaranted income supplement, increase family allowances gearing them to the cost of living. The sales tax on children's clothing has been removed and the personal income tax geared to the cost of living.

In the Speech from the Throne, the government announces its intention of taking steps to increase food production; I hope it will do the same with regard to industrial products and thus reduce the pressure on prices.

The official opposition prefers an overall price and salary freeze for a period of 90 days. It is not very clear about what steps would follow. Recently, the hon. member for Saint-Hyacinthe (Mr. Wagner) suggested, also to counter inflation, doing away with the sales tax on building materials and clothing.

With regard to the tax on building materials, he did not specify what measures would make up the reduction in income that would amount to about $500 million. Some may say that government expenditures will be cut down; Mr. Speaker, that reminds me of the experience with the conservative government: from May 1957 to 1963 they made the same promise. What was the result? An annual increase in expenditures.

The progressive conservative party might perhaps want to increase personal income taxes to make up the shortage. Who knows?

Mr. Speaker, we are aware of the experience of the United States and the United Kingdon in the area of price and wage controls which, following completion of Phase IV of the program, resulted in an exhaustion of supply sources and the spiralling of prices in the United States.

Here is what the policy of the Progressive Conservative Party was on inflation, as reported in the March 1, 1974 issue of the *Montreal Gazette* by Mr. John Meyer, the former financial critic with this newspaper, and I quote:

[Mr. Clermont.]

[*English*]

The Conservatives, predictably, have persisted in their argument for controls—surely an anomolous position for the party bearing the name it does to be in. They have been making that argument for so long, and with such indifference to the experience of other countries where controls have been used, that it has begun to threaten their credibility as an alternative to both the Liberals and the New Democrats.

Their persistence is curious in view of the number of senior members of the party with business and financial backgrounds, both practical and academic. There was, and still may be although with clearly reduced force, an argument for controls on strictly political grounds. Controls would be evidence of a government's determination to explore every means of containing inflation and some stability in prices might even be achieved over the short run.

But as the definition and scope of inflation has become clearer, and its source largely found to lie in the inability of production to keep abreast of demand, controls can now be seen more likely to prolong and intensify inflation than to contain it. That is what is happening in the U.S. where continuing shortages of both basic commodities and finished products are directly attributable to the inability of producers to adequately cover their costs.

● (2030)

[*Translation*]

Mr. Speaker, the labour and industrial sectors will not generally support a global policy of price controls, no matter their duration. Some quarters consider that the present state of inflation is attributable to the growth of spending by the various levels of government, and of the money supply. Under these circumstances, in view of the problems resulting from the energy crisis, I feel it would be a gross lack of responsibility to minimize them, since it may happen that because of the increase in the price of oil, which tripled within the past six months, some of our trading partners may face serious problems as far as their balance of payments is concerned. This could result in a very considerable decrease in their economic growth, and we are aware of the impact of our exports on our economy.

The results of a recent survey indicated that the biggest problem for many Canadians is that of energy. It will be recalled that in June 1973, the Department of Energy, Mines and Resources published a paper on energy in Canada. Among other things, the study analyzed energy supply and demand in Canada and many measures that could be implemented. It was then proven that they were most timely, following what happened in the fall of 1973 when some producing countries cut back their crude oil exports and greatly increased prices. At that time, two major problems came up, that of supply and that of prices which Canadian consumers would have to pay.

As far as supplies are concerned, we know that Canada was divided in two ever since 1961 by a line known as the Ottawa Valley or Borden Line. West of this line, oil was mainly shipped from western Canada by pipeline. Consumers east of the line were supplied mainly by cheaper oil imported from a number of producing countries in the middle East and Venezuela. In this case, means of transportation had to be provided without delay in order to ensure a constant flow of oil in this part of the country.

On September 4 and December 6, 1973, the Prime Minister of Canada advised the House of the action the government would take to deal with this difficult situation. On September 4, 1973, he announced the following steps:

1. The oil industry will be asked to refrain from making further price increases affecting Canadian consumers before January 30, 1974. This price restraint would apply except where, to the satisfaction of the Minister of Energy, Mines and Resources (Mr. Macdonald), the increase in the cost of imported crude oil warrants a Canadian price increase.

2. The government intends to seek a control mechanism whereby higher prices in the U.S. market would not automatically increase prices at home in Canada.

3. The government will also hold early consultations with provinces and industry on the extension of pipeline facilities so as to enable Canadian oil to be shipped into Montreal. At a time of rapidly escalating international prices, this would put Canadian oil into competition with international oil and would give additional security against international disruption of supply.

In the meantime, the Minister of Energy, Mines and Resources, with the co-operation of the Minister of Transport (Mr. Marchand), was setting up additional means of transportation to provide adequate supplies to the residents of Quebec and the Atlantic provinces, either through the re-opening of the pipeline between Toronto and Ottawa which had been closed in 1962 or through the St. Lawrence Seaway from Sarnia to Montreal, until the closing of the latter, or by rail, truck or tanker from Vancouver to Montreal, the latter going through the Panama Canal. In December 1973, the Prime Minister announced further measures such as:

1. The creation of a unique national market, the effect of which will be to abolish the "Borden Line" or "the Ottawa Valley Line".

2. A pricing mechanism to provide sufficient incentives for the development of oil resources.

3. Measures to ensure that any escalation in returns and revenues as a result of any higher prices will be used in a manner conducive to security and self-sufficiency.

4. The early completion of a pipeline of adequate capacity to serve Montreal and, as required, more eastern points.

Mr. Speaker, the federal government recently announced the extension of the pipeline between Sarnia and Montreal, the construction of a second pipeline on Canadian soil, namely between Winnipeg and Montreal.

In January 1974, Parliament passed the emergency legislation on energy supplies.

As far as prices are concerned, consumers east of the Ottawa Valley Line have to pay a little more for their oil products. But following the Energy Conference held in Ottawa on January 22nd and 23rd at which the Federal government and the provinces agreed to hold a voluntary temporary price freeze on oil coming from Saskatchewan and Alberta, assurances were secured that the Federal government would protect the five Eastern provinces which have to rely on off-shore oil against the substantial increases they would have to face after February 1st, 1974.

The Federal government then agreed to maintain the price differential and assured Eastern residents that their prices would not increase on February 1st and that at the end of the voluntary freeze period in two months time prices would be even across the country, with allowances for freight costs. Then the Federal government will make substantial grants available to Eastern provinces so that costly off-shore oil will fall back to the same price as cheaper Western oil. The Federal government has resumed its talks with the oil producing provinces with a view to reaching by March 31, 1974 a consensus that will benefit all Canadians.

Mr. Speaker, on August 3, 1973, the Federal government announced a new feed grains policy to be implemented in two stages. The first would be a concrete program for 1973-74 dealing with price parity between Eastern and Western Canada, and adequate supplies during the winter months. With respect to supplies, due to various circumstances, feed stocks in the province of Quebec in this period are far from being adequate, and I seriously wonder if groups and organizations would not be interested in seeing that program fail. We know that when that program was announced there were rather violent reactions to such a project. I urge the minister responsible for the Canadian Wheat Board (Mr. Lang) as well as the Minister of Agriculture (Mr. Whelan) to make sure of that.

In another sector of agriculture, the Canadian Federation of milk producers has submitted to the federal government a series of requests to ensure these producers the incomes required to supply Canadian consumers with the dairy products they need, and a fair return for their work, their investments and their management skills. I hope, Mr. Speaker, that the cabinet will seriously consider these requests and that the Minister of Agriculture, when he announces the government dairy policy for 1974-75, will also announce a substantial increase for industrial milk producers.

In going through the main estimates for the fiscal year ending on March 31, 1975, I note, in the estimates of the National Capital Commission, that an amount of $8 million will be spent on phase 2 of the highway network development in the national capital area north of the Ottawa river, that a further amount of $3,500,000 will be spent on sewers and $500,000 on public transportation.

The first two amounts are part of the comprehensive plan that the right hon. Prime Minister of Canada and the Minister of Transport had announced in 1969 and which will be carried out across the Ottawa river in the next 25 years.

As you remember, a general agreement on the improvement of the highway network on the Quebec side of the national capital area was reached on January 7, 1972, between the province of Quebec and the federal government, listing several projects to be carried out over a few years, such as the building of a bridge over the Gatineau river, the widening of Gréber Blvd. from Maloney Blvd. in Gatineau to Archambault Blvd. in Gatineau Point, and the development of a limited access expressway from highway 8 in a south-west direction to the Gatineau river, as well as expressway A50 from Aylmer to Masson.

Mr. Speaker, I urge the parties who are negotiating the construction of this highway between the bridge on the Gatineau River, presently known as the "Pont des Draveurs", and Highway A5, to get this project under way soon so that the people living east of Pointe-Gatineau who have to go to Hull and Ottawa can use it and relieve the traffic on Gréber Boulevard at peak hours.

Regarding the $500,000 contribution for public transport, it is to be linked with the agreement reached last fall between different government levels and agencies to

eliminate the traditional double fare applicable between Ottawa and Hull.

For many years now, the members of Parliament representing the Quebec part of the Ottawa region have asked for this measure, which has now taken the form of a $500,000 contribution from the National Capital Commission, made in the name of the federal government. The fact that there is now a transport commission on both sides of the Ottawa River probably helped to reach such an agreement.

● (2040)

[*English*]

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, the throne speech which we are now debating is conspicuous more for what it does not say than for what it does. The Prime Minister (Mr. Trudeau) has described it as a matter of fact document. This is synonymous with saying that it is prosaic, ponderous, pretentious; in fact, dull. It lacks imagination, compassion, identifiable objectives. It is, however, a true reflection of the government which presented it—stolid, complacent, self-satisfied, even sanctimonious; much like the Pharisee who looked at others in their misery and thanked God that he was not as they. That attitude on the part of the Liberals opposite, Mr. Speaker, is the cause of much of the malaise in this country today.

We are saddled with a government that lacks daring, innovation, imagination; a government that lags along day after day in the same old rut, lacking the will to fight the problems that beset millions of Canadians, afraid to depart from the well-worn practices of a bygone era and come up with some contemporary policies; a government that was old the day it was born.

It makes parliament watchers wonder whatever happened to such spirited individuals as Walter Gordon, Judy LaMarsh and Joe Greene with their free-wheeling ideas—individuals whom the Liberal Party used to encourage. One is left with the distinct impression that cabinet solidarity today means thinking alike, acting alike, doing nothing to upset the uniformity and sameness which characterizes this government.

Mr. Sharp: You are much too optimistic.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, the government lacks leadership which is responsive and sensitive to the needs of the country, and that lack is sadly reflected in the Speech from the Throne.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): Canadians today are beset by fears of inflation and the spiralling cost of living. For thousands upon thousands on fixed incomes, their weekly shopping is an agony to be endured as the purchasing power of their dollar goes steadily downward. There is no relief in sight, certainly not in this throne speech, for the escalating costs of bread, milk, sugar, meat—the staples; no relief in sight for the thousands of would-be home owners for whom the cost of purchasing a house is prohibitive. Nothing in this speech indicates that the government is concerned with preventive health plans. Instead, the government adds to the worries of millions of Canadians by reducing the rate of funding available to the Medical Research Council from a 5.4 per cent annual increase to 2.5 per cent for 1974-75.

Under Liberal management, the prolonged scientific and medical struggle to combat cancer, heart disease, multiple sclerosis, genetic defects—all diseases—is downgraded. Senior medical researchers are being denied the funding they so grievously require. Some of our most talented scientists will be forced to leave Canada to continue their research in countries whose governments place a much higher premium on health protection. It is a sad commentary on the Liberal government that it sees fit to spend $100 per capita on unemployment insurance, but a mere $2 per capita on medical research. It is ludicrous to think that this government can spend $2 billion annually for unemployment insurance and only $40 million next year for medical research. Surely Canadians have a right and a duty to demand that government priorities and spending are brought into line with reality.

Mr. Speaker, reference to Canada's native peoples is almost non-existent in this throne speech. This cannot be attributed merely to the oversight of one minister but, rather, to the collective decision of an entire cabinet. Brief reference is made to rural and native housing programs. We shall have to await legislation for details, but I trust these programs will apply to native housing both on and off the reserves. Over 80 per cent of current native housing is substandard, and the rate of housing starts for native people has been running at half the rate of that for other Canadians. I trust the new legislation is designed to eliminate both these inequities and to eliminate the hardships in settlements such as Fort Rae, where 1,000 natives live in small wooden homes at temperatures sometimes of 60 degrees to 70 degrees below zero, homes heated primarily by wood stoves, homes without running water and indoor facilities. And there are many native communities such as Fort Rae across Canada.

There is nothing in the throne speech to indicate that the government is prepared to recognize and accept the principle of aboriginal rights; nothing to show that a native communications policy which will provide for continuing dialogue in their own languages is in the offing; nothing to indicate that the government is willing to meet its commitment to provide funding to Indian organizations so that the Indian Act can be revised by and for Indians, both male and female. I trust the minister will be making positive statements in all these areas in the near future.

● (2050)

The throne speech does make specific mention of guaranteed loans and other forms of assistance to both farmers and fishermen to assist them in purchasing or modernizing their equipment; incentives to increase Canada's catch of unexploited stocks of fish; and assistance to young farmers to provide sufficient financial incentives for them to establish themselves in farming. We will insist that these programs will apply, without question, to native people both on and off reserves and that the government will not try to fob-off requests from Indian bands for assistance under these new proposals by referring them to the ill-conceived, poorly administered, highly restrictive

economic development loan fund which they now have to cope with.

The native people, Mr. Speaker, get very short shrift in the throne speech. But that is becoming more and more a characteristic of this Liberal government. A senior civil servant, Walter Rudnicki, attempts to consult with the native council over housing policy and is summarily dismissed—not given the opportunity for discussion or even resignation, which we were told the other day is the "Liberal way", but cavalierly thrown out on his ear without notice. Why? Because of consulting with native people. That is short shrift indeed.

A few weeks ago the native people of the James Bay area were given very short shrift when the minister threatened to cut off legal aid in their battle to halt the massive James Bay project until their aboriginal claims are settled. Legal aid will be cut off, the minister says, if the Indians are "unreasonable". What does he mean by "unreasonable"? Surely, throughout this long-protracted struggle it is the minister himself who merits the description "unreasonable". He and his government have consistently refused to assume their constitutional and moral responsibility with regard to the James Bay native people. Rather, they have maintained a narrow, legalistic, rigid approach, lacking compassion, sensitivity and understanding.

During the recess the minister found it convenient to throw around terms like "unreasonable", while at the same time lavishing praise on the Bourassa government's handling of the situation. I hope that now these aberrations are past, he will assume the responsibility he has hitherto ignored and lend his full support and the weight of the federal government to backing the position of the native people of James Bay.

As I have said, the native people received only minimal reference in the throne speech, but that vast area north of the sixtieth parallel, two-fifths of Canada, fared even worse. It did not merit a single word. I realize the government has signified its intent to introduce a bill to amend the Yukon Act and the Northwest Territories Act. This will, I trust, mean significant amendments, not just a political restructuring to allow for a fully elected council, an executive committee, the addition or more councillors or the separation of the role of Speaker and Commissioner, important as these are, but significant amendment which will indicate this government is finally prepared to do something to remove the stigma of colonialism which permeates the north; that it will untie the apron strings from Ottawa; that it will hand over to the territorial councils fiscal responsibility for those areas already administered by the territorial civil service—education, housing and local government.

Unless that step is taken, unless the federal government is prepared to concede some of its fiscal authority, all other proposals are merely a charade, a farce perpetrated against 60,000 northerners who deserve something better. As legislators we, any one of us, would be appalled to participate in a legislative process of dealing with appropriations where we had the right to ask questions but were denied the right to propose changes, additions or deletions.

At the recent Northwest Territories Council sessions in Yellowknife, some of which I attended, the elected councillor from the eastern Arctic pointed out that there were some 200 children of school age in his area with severe hearing defects, but that no programs or special facilities were provided for them in the education estimates. Neither, I might add, is there anything done for them by the federal Department of Health and Welfare. Imagine the frustration of this councillor who could indeed raise what one cannot help but recognize as a serious health and educational problem, but who had no power to suggest that expenditures be reallocated to allow for special training of these handicapped children.

It is this kind of responsibility, Mr. Speaker, which northerners should be allowed to exercise. They are close to the problems; they can recommend legitimate action and they should be accorded the fiscal power to enforce it. In the true interest of northerners, and in a real effort to eradicate the last vestiges of colonialism in Canada, I hope the minister is seriously considering incorporating such legislation in the amendments he will be proposing to the territories' acts.

Health care of native people, particularly those living in isolated areas, is woefully inadequate. Study after study points up the fact that native people are not provided with a treatment and public health program comparable to that enjoyed by residents elsewhere in Canada. We had a sad illustration of that just recently with the death of a two-month old Indian child in Alberta. Nowhere is this inadequate treatment more apparent than in the isolated communities north of the sixtieth parallel. Doctors are few, and dentists almost non-existent. There are only seven dentists employed by the Department of National Health and Welfare, and a few in private practice, to serve a population of 60,000 scattered across 1.5 million square miles.

An official of the Department of National Health and Welfare used these words to describe dental health among native northerners: "The conditions of teeth among the people of the north can best be described as 'oral sewers', and this stands in strong contrast to the universally healthy state of teeth that was seen before the native people were introduced to the white man's diet." The Nutrition Canada national survey report released last November contained a number of references to nutritional problems among Canada's native people. It spoke of vitamin C deficiency, vitamin A deficiency and other dietary related illnesses; but it went on to say that the data collected for the Indians and Inuit have not yet been fully analysed and a special report on these groups would not be available until at least six months after the initial report and recommendations of last fall had been released. Is it any wonder that our native people are made to feel as second-class citizens when they are continually relegated to the tag end position, to the status of an appendix on governmental reports?

A recent report on mental helath in northern communities observes that, first of all, it is apparent that a number of myths entertained by both northerners and uninitiated southerners alike must be laid aside if we are to seriously grapple with the many problems confronting our northern citizens. One of these myths is that people indigenous to

the north are a simple, contented lot, accustomed to the rigors of the Arctic environment and satisfied as long as white intruders leave them and their ecology alone. At one time this may have been true. Today it is definitely false. This is not to say that the Indian and Eskimo peoples do not love "the land", nor that they are helpless and despairing in contending with the elements. Quite the contrary.

The report goes on to say that it would be absurd not to recognize the cultural disintegration and change in lifestyle amongst the indigenous population which is a direct result of the inroads made by the white man's culture. Both native culture and natural ecology have been disrupted and traditional hunting economics, whether inland or coastal, would no longer seem to be viable. Virtually no Arctic community can now be considered self-sustaining.

● (2100)

One serious consequence of cultural erosion has been a loss of traditional control by the community over the behaviour of its members. This disruption and the dominating influence of southern educational systems and technology in northern settlements has irrevocably altered northern society. Therefore, the report states, while this is not a comparative study in the strict sense, it seems safe to say that the people of the north, whether white, Indian, Métis or Eskimo, want and need the same kind and quality of facilities and services available to southern Canadians. One might go so far as to state that because of the severity of the climate, the relative isolation and the long, dark winters, the need for a full range of high quality services and public amenities is much more acute in the north. Unfortunately, such services are not available and this lack is felt by all northern residents. For the aged and economically depressed, the problems of northern living are further compounded. This study was funded by a grant from the Department of Manpower and Immigration. It sets forward the facts in a very straightforward manner.

I mention these health reports which are particularly directed to problems in the north—hearing defects, lack of dental facilities, nutritional deficiences, mental health hazards—to show that they exist and that concerned Canadians are aware they exist. But if the throne speech is a true reflection of the Liberal government's thinking—and I have no reason to doubt it—then I can only assume that the cabinet is not particularly concerned with these problems.

The throne speech makes special reference to transportation as a key factor in regional development. It goes on to say that steps will be taken to ensure that Canada's transportation capability supports the government's national goals and is safe and efficent. Those two words "sufficient" and "efficient" interest me. At the present time the government is engaged in building a multimillion dollar highway along the Mackenzie corridor, a highway that was begun as a political come-on without the benefit of adequate, or even any social and evironmental impact studies. Is that highway safe from environmental damage? Is it efficient? Well, compared with what? The costs of the highway have escalated wildly since it was announced in April of 1972. The environmental and social hazards are rapidly becoming apparent even without the studies having been done; and the highway, it appears, has few ardent advocates except for a cabinet clique.

[Miss MacDonald (Kingston and the Islands).]

The Canadian gas Arctic consortium have publicly stated a highway is not necessary to their developmental plans, if and when a pipeline is built. The native communities have voiced their opposition on a number of occasions. They regard the Mackenzie River itself as their traditional highway. Residents of far northern communities such as Inuvik see no advantage to driving at least 1,000 miles to Yellowknife so that they can board a plane to fly to other centres farther south. They would go by air in the first place: the people in the north "think air."

If the government is serious in developing a transportation policy that is safe and efficient and which will contribute to regional development throughout the north, why does it not admit that a better alternative might be to use the $300 million to $400 million which has been estimated as the cost of the Mackenzie Highway, to hard-surface and enlarge existing airstrips, build new ones in those communities which are still isolated and, most important, subsidize air travel and air transport throughout the north? Such a plan would benefit northerners from Frobisher Bay to Old Crow.

The $300 million which is being spent on the highway would subsidize air transport for years to come and would eliminate intolerable inequities in the present travel costs, inequities which set the rate structure at $110 for an air ticket from Edmonton to Toronto, an air distance of 1,700 miles, but which demands a payment of $150 from Edmonton to Inuvik, an air distance of 500 miles less, or 1,200 miles. Travel costs in southern Canada are 6 cents per mile; in northern Canada 12 cents per mile—double the rate This is just another example of discrimination against northern Canadians. This injustice could be eliminated by equalizing transportation costs in the north of Canada as well as elsewhere in the country.

If this country is to achieve its full potential, equal consideration must be given to all Canadians and to all regions. The native people and the northern territories deserve the recognition this throne speech has denied them.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, as has occurred several times before, I would most sincerely like to compliment the mover and seconder of the address in reply to the Speech from the Throne. I would also like to compliment my leader on what I feel was an effective and worth while amendment to the motion proposed by the hon. members on the government side.

Some hon. Members: Hear, hear!

Mr. Stevens: In my view, the time has come for this House to face some harsh realities. When I listened to the Speech from the Throne I was disturbed to hear the net content that was being suggested by the government with regard to any plans they might have for the curtailing or control of inflation in this country. I was more disturbed than ever when I listened to the rambling, disjointed speech of the Prime Minister (Mr. Trudeau) when he entered this debate. One conference which he made I would again like to quote for the record:

I draw a similar parallel to allude to the goings-on in the New Democratic Party. It has to do with an ocean liner but the parallel is a bit different. It has to do with seagulls. Because they were squawking

and making a lot of noise, they thought they were actually running the ship.

Like many other members of the House, I laughed when the Prime Minister made that comment. If he chose to compare the NDP with the scavenger bird, the seagull, and suggest that somehow they were catching refuse from a ship, that comparison presumably was his right to make. However, it suddenly dawned on me, if the NDP are only the seagulls following the ship, who in fact is running the ship? Up to this point I had assumed the NDP were running the ship, the government of this country. We now have the admission that while we do have a majority government with two caucuses, neither caucus is completely sure of which is actually running the ship.

Having listened to the current Speech from the Throne and the speech of the Prime Minister, I thought it would be interesting to see what was said in previous throne speeches and by this Prime Minister since he took office in April, 1968, concerning inflation. The reason I say that is you will recall, Mr. Speaker, having received in this House estimates for the fiscal year 1974-75 that are truly startling. It has already been pointed out that these estimates contemplate an expenditure of 20 per cent more than was spent in the previous year, based on the original estimates. Perhaps it puts the magnitude of the government's spending spree into perspective when we realize that by the end of 1975 the government will have spent, at the federal level, $120 billion. Give them one more year and they will have spent, since they took office in 1968, more than has been spent by federal governments in Canada in the previous 100 years.

● (2110)

Some hon. Members: Shame.

Mr. Stevens: These are the hard facts. Yet this is a government which when it took power in 1968 had the audacity to say it would control government expenditures.

Mr. Benjamin: What would you cut?

Mr. Baker: We'll start with you.

Mr. Stevens: It is not only the growth of government spending which is startling; it is the growth in the monetary supply of the nation. In the past three years, for example, the money supply in Canada has increased by 53 per cent, an increase of 17 per cent per year on average. Government expenditure in the last six years has gone up faster than 20 per cent a year. Can anyone sensibly say that a government which induces such increases in our money supply and in federal spending is not an inflationary government?

Having mentioned this, I should like to refer to certain statements made in previous speeches from the throne. For example, on September 16, 1968, the speech said:

> Parliament will be asked during the present session to consider proposals for a systematic and continuous review of prices and costs in our economy. Just as incomes cannot increase faster than productivity if price increases are to be restrained so government spending by all levels of government cannot increase faster than productivity if we wish to restrain the increase in levels of taxation. These two realities are among the most important that Canadians and their leaders much bear in mind during the months and years ahead.

The speech went on to say that the government would be conscious of the limitations it must place on its expenditures. This is 1968, and bear in mind that inflation in that period was approximately one-third of the current inflation in this country. Speaking in the debate on the Speech from the Throne of that year, the Prime Minister said there must be "a freeze on civil service growth". He stated:

> We have issued explicit guidelines to be used in the preparation of the estimates of 1969-70 and we shall not hesitate to take whatever other actions may be necessary to restrain the growth in our expenditures.

That was in September, 1968. I would draw to your attention, Mr. Speaker, that in the fiscal year ending March, 1968, total expenditures by the government of that time amounted to $9.9 billion. Today we are faced with an expenditure somewhat in excess of $23 billion, by the same government. Perhaps I might turn now to October 23, 1969, the date of the next Speech from the Throne. There it is stated:

> In recent months the government has urged both the public and the private sectors to adopt special measures to combat the dangers of inflation. These measures, which the government has itself adopted, must be applied by all if further restraints are to avoided.

Again, speaking in the debate on that Speech from the Throne, the Prime Minister noted that the opposition parties had had much to say about the government's alleged failure to act in controlling spending. Mr. Speaker, there can be little doubt that history has shown the opposition parties were quite correct in their allegation.

Mr. Turner (Ottawa-Carleton): What about last year—wanting to double the estimates from your side?

Mr. Stevens: I turn, now, to *Hansard* of October 8, 1970, where we find the following statement contained in the Speech from the Throne:

> We are not yet free of inflationary pressure but there has been real progress and price increases have abated to the extent that the Canadian record in the battle against inflation is superior to that so far attained in any other western country. In the result it has been possible for the past several months to moderate certain monetary and fiscal restraints.

I would draw the attention of hon. members to the fact that the government then took credit for a better record than that of any other western industrialized nation. Yet today we are repeatedly told by the same government that there is little we can do about inflation in Canada, that we are caught up in the worldwide inflationary experience. I suggest the government is not being candid with the Canadian people. They know that inflation can be contained. They know what measures can be taken. But they hesitate, through lack of leadership, to take those measures.

Mr. Speaker, in the debate on the Speech from the Throne to which I have just referred, the Prime Minister made a startling comment. He said:

> May I repeat at this point that the first step which was proposed to us was the fight against an inflation which had become a threat to the whole economy. Courage was needed to take that step.

Here we have a Prime Minister who said he felt he must take action against inflation, a threat to the whole economy. Yet the inflation to which he referred amounted, in fact, to one-third of the inflation we are presently

experiencing. Is it unfair to assume that if there was a threat to the economy in 1970 or earlier, there is a triple threat today with inflation running at more than 9 per cent per annum?

Last session, Statistics Canada produced some very relevant figures which show how inflationary the present government has been in its first five years of office and in its latest year. Let me point out that during the St. Laurent government's five years in office ending January, 1958, inflation in this country amounted to 6.7 per cent. For five years of the Diefenbaker government ending in January, 1963, inflation was 7 per cent; in other words, 1.4 per cent on an annual basis. In the first five years of the Pearson government ending in January, 1968, inflation rose to 15.6 per cent. And in the first five years of the Trudeau government it went to 22.3 per cent. That was the most sensational five-year period of inflation Canada has had, barring wartime. In the past year, January, 1973, to January, 1974, inflation has increased another 9.1 per cent.

● (2120)

Is there no relationship between the government's spending as I have outlined it and the government's policy of printing money? Certainly the financial leaders of this country are becoming alarmed. For example, the largest life insurance company in Canada, Sun Life Assurance Company of Canada, through its president, Mr. Thomas Galt, stated at the annual meeting held on February 12 of this year:

> It cannot be denied that the rapid growth in government expenditures and in the money supply in recent years have been major causes of the inflation we are having in Canada. Inflation must be combated—soon and effectively—or the damage to our economies, if not to our entire social order, will be irreparable.

That is what was said by the president of Sun Life, and I note that his words are very similar to the words of the Prime Minister in 1970 when he felt he had a better case to present than he has today. Mr. Earle McLaughlin, chairman and president of the Royal Bank of Canada, spoke to his shareholders on January 10 of this year and said:

> I hope that the various governments would exercise restraint on the expenditure side, as a means to dampen inflation.

That was before the government tabled its $23 billion estimates for the current fiscal year. Surely there can be no suggestion that this is restraint. It is becoming customary for the Minister of Finance (Mr. Turner), and I am pleased to see that he is with us tonight—

Mr. Turner (Ottawa-Carleton): I never miss anything you say, and I never learn anything either.

An hon. Member: That's because you're a slow learner.

Mr. Stevens: It is often said by the Minister of Finance and by his leaders, both on the New Democratic side and on the Liberal side, that somehow our inflationary record has been better than the inflationary record of the United States. In this respect, the Bank of Canada review of February, 1974, referring to the OECD report, puts the record straight, and I think it is time this government put the record straight concerning this comparison between the United States and Canada. In spite of virtually no inflationary pressure of the nature the United States has had to live with, our record has been worse than the United States record in the past two years.

Let me quote from table 1 on page 6 of that Bank of Canada review. In 1972, United States inflation was 3.3 per cent, while ours was 4.8 per cent. In 1973, U.S. inflation—I emphasize that this is from a lower base—was 8.8 per cent, compared with our 9.1 per cent. Is it honest for the government to represent that somehow we have a better record than the United States? I suggest that such a statement is not correct. Not only has this government placed severe hardships on many people as a result of its inflationary handling of our economy; it has made millionaires of some individuals and corporations in this country.

I have already referred to the growth in our money system. You will recall that it is proposed in the throne speech that there be an amendment to the Bank Act. I will be very interested to see what the Liberal government intends to do in 1974 with respect to the banks, compared with what it did for the banks in 1967, the year of the great sell-out to the Canadian banks. I make reference to the fact that in that year banking legislation in this country was liberalized to such an extent that between 1967 and 1973 the banks were able to increase their earnings from $116 million to $321 million; that is the amount available for payment to their shareholders or for dividends. There are certainly some individuals and corporations who have truly prospered under the Trudeau government's rule, but I can assure you that it is not the poor man to whom the Prime Minister referred in his speech in this debate.

When explaining the government's record to Canadians, I believe it should be pointed out that when this government took power in April, 1968, Canadians paid $5.2 billion in income tax and in 1974 they will be required to pay twice that amount. This is before one even considers contributions to the unemployment insurance account which will add approximately another $1 billion to their tax load. It took 100 years from confederation to 1967 before the federal government's personal income tax levy reached $5.2 billion. Under the Trudeau government it took only six years to double that figure. That is the true impact of this high spending, high flying government which has the nerve to say that this House should continue to have confidence in it. It is time the people of Canada were asked who should run Canada.

An hon. Member: David Lewis.

Mr. Stevens: Based on the estimates that have been tabled, after allowing for indexing—an idea that this government accepted from this party, and thank goodness—and after allowing for inflation, personal income taxes are likely to increase by more than 25 per cent as a result of this government's spending spree. If this forecast is borne out by the facts, this will mean that the increase in federal income taxes paid by Canadians will be $2.5 billion, or $200 million more than the entire tax paid by all Canadian citizens in 1963, the last year of the Diefenbaker government.

● (2130)

The Acting Speaker (Mr. Laniel): Order, please. It being 9.30 p.m., it is my duty to interrupt the proceedings

and put all questions necessary to dispose of the amendment now before the House.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment? All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

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

(Division No. 2)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre
Arrol
Atkey
Baker
Balfour
Bawden
Beattie (Hamilton Mountain)
Beaudoin
Bell
Blenkarn
Boisvert
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Danforth
Darling
Dick
Diefenbaker
Dinsdale
Dionne
Ellis
Epp
Fairweather
Forrestall
Fortin
Frank
Fraser
Gauthier (Roberval)
Gillies
Godin
Hales
Haliburton
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Hollands
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Jarvis
Kempling
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Laprise
La Salle
Lawrence
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Murta
Neil (Moose Jaw)
Nielsen
Nowlan
O'Connor
O'Sullivan
Paproski
Patterson
Reynolds
Ritchie
Roche
Rondeau
Rynard
Schellenberger
Schumacher
Scott
Skoreyko
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Taylor
Tétrault
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—109.

NAYS

Messrs.

Allmand
Barnett
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Firth
Fleming
Foster
Fox
Gauthier (Ottawa-Vanier)
Gilbert
Gillespie
Gleave
Goyer
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Isabelle
Jamieson
Knight
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Lang
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nesdoly
Nystrom
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rompkey
Rooney
Rose
Rowland
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whelan
Whicher
Yanakis—129.

● (2200)

Mr. Speaker: I declare the amendment lost. This House stands adjourned until tomorrow at two o'clock.

At 10.02 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 6, 1974

The House met at 2 p.m.

VETERANS AFFAIRS

GEORGE DERBY HOSPITAL LANDS, BURNABY—TABLING OF REPORT OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to report to the House that the Clerk of the House has laid upon the table the first report of the Clerk of Petitions, stating that he has examined the petition of Sharon Vance and others in relation to the proposed transfer of the George Derby lands to the province of British Columbia, and finds that the petition meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT

TABLING OF FIRST AND SECOND PARTS OF STUDY OF PUBLIC TRANSPORTATION IN SOUTHWESTERN ONTARIO

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, in accordance with the provisions of Standing Order 41(2), I have the honour of tabling two copies, in both official languages, of the first and second parts of the Study on Public Transportation in Southwestern Ontario, Bruce county, compiled by the Canadian Transport Commission.

* * *

[*English*]

IMMIGRATION

ARREST OF OFFICER OF DEPARTMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, namely, that the credibility of the Department of Immigration is seriously undermined by the arrest of an officer of the department charged with issuing false and forged work permits to unqualified and illegal immigrants, and that other arrests may be pending. I move, therefore, seconded by the hon. member for Hamilton West (Mr. Alexander):

That this House immediately call for an independent inquiry to clarify this serious situation.

Mr. Speaker: The hon. member's motion proposed under the terms of Standing Order 43 requires the unanimous consent of the House. Has the hon. member unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

[*Translation*]

FINANCE

SUGGESTED REDUCTION OF INTEREST RATES TO COPE WITH INFLATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in accordance with the provisions of Standing Order 43, I request the unanimous consent of the House to discuss a matter of urgent and pressing necessity as it concerns the steady increase in the cost of living provoked by excessive interest rates. I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That the House consider immediately urging the Minister of Finance to use his powers in his capacity, as well as the Bank of Canada, in order to lower the interest rates, which are one of the major causes of inflation.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

ACTION TO ASSIST CATTLEMEN IN LIGHT OF EFFECT OF IMPORTS FROM UNITED STATES ON MARKET

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the extremely crucial fat cattle market situation all across Canada that has been triggered by a fourteenfold increase in live cattle imports from the United States since

January of this year over last year, and in view of the very reasonable and workable proposals presented to the minister last evening by the cattlemen, will he now indicate what action he is prepared to take to meet this critical cattle market situation?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as the hon. member has stated, I and some of my officials consulted with the Canadian Cattlemen's Association late yesterday afternoon. I think the record has been pretty good that we have paid close attention in the past to what this organization has suggested and their suggestions are being seriously considered again today. I hope we will be able to make a decision shortly.

Mr. Hargrave: In view of the serious market drop of some 10 cents a pound over the last two weeks and 15 cents a pound over the last three weeks resulting in increased losses per head in excess of $150, is the minister now prepared to make an immediate recommendation to cabinet or a statement on motions this week on this situation?

Mr. Whelan: Mr. Speaker, I have already made a submission to my colleagues in the cabinet.

IMPORTATION OF UNITED STATES CATTLE GIVEN DES—STEPS TO PROTECT CANADIAN PRODUCERS

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the fact that Canadian beef producers are not allowed to use the food supplement DES while United States producers are permitted to use this food additive and ship such beef and cattle into Canada, what steps does the minister propose to take to effect a fair arrangement for Canadian cattle producers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think I should clarify one thing. It is the male species of the animal to which you feed DES, not the female, and the banning of meat coming into Canada from the United States in cases where the cattle supposedly have been fed DES would not necessarily mean a total ban on the importation of meat. There are many things that have to be considered. We recognize that it is illegal to feed it to cattle and then to sell that meat in Canada. But we do not believe that any cattle that are being fed DES in the United States at the present time will be coming into Canada for several weeks because, as I said previously, no one is going to implant DES, or add it to the feed, and get any results from it until several weeks have passed. We are watching the situation closely. We are in consultation with my colleague, the Minister of National Health and Welfare. We are in contact with people in the United States Department of Agriculture. I can say that a decision will be made concerning this matter before any of the animals being fed DES at the present time come to market in Canada.

● (1410)

SUGGESTED DEFICIENCY PAYMENT TO CATTLE PRODUCERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a supplementary question to the Minister of Agriculture. In view of the fact many farmers with cattle and those operating feedlots face severe losses and that this is an emergency situation, would the government consider making a deficiency payment to those farmers and feeders who have cattle in feedlots over, let us say, the next month or six weeks so that they will not suffer a real disaster and be forced out of business?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this is one of the submissions that have already been made.

Mr. Gleave: Can the minister assure the House that within the next few days he will make a statement on motions clarifying this whole matter in order to relieve the uncertainty that now exists in that part of the farming industry?

Mr. Whelan: Mr. Speaker, I announced yesterday that we would be making a decision soon, and I hope very soon.

* * *

CONSUMER AFFAIRS

PRICE OF BEEF TO CONSUMERS IN LIGHT OF CATTLE RAISERS' COST OF PRODUCTION—GOVERNMENT ACTION

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I would like to pose my supplementary question to the Minister of Consumer and Corporate Affairs. In view of the fact that beef producers in Canada are now producing beef at far below the cost of production and at the same time the price at the retail level has failed to follow this lowering of prices, especially in the last four or five weeks, can the minister indicate if he is taking any action in this regard?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, we are looking into this as part of our over-all review of the situation, and we are working closely with the Minister of Agriculture and other ministers on this important matter.

Mr. Speaker: Order, please. The hon. member will be recognized for a supplementary. The Chair will then recognize the hon. member for Toronto-Lakeshore, after which I will return to the hon. member for Calgary Centre and others who have further supplementaries.

Mr. Danforth: Is the minister himself undertaking or has he directed that a specific study be made with regard to this very serious problem, or is he leaving it to the general action of the Food Prices Review Board? Is he taking any action other than what he indicated in his previous statement?

Mr. Gray: Mr. Speaker, the Food Prices Review Board was given vast powers under the Inquiries Act to look into this kind of matter in great depth, but I am certainly prepared to look into it further myself.

PRICE OF BEEF—CONSULTATION BY MINISTER WITH FOOD PRICES REVIEW BOARD

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I would like to ask the Minister of Consumer and Corporate Affairs if he has had any recent contact with the Food Prices Review Board with regard to the matter of the consumer price for beef?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Not on that matter, Mr. Speaker. I was in touch with them to ascertain when they would be having meetings on the matter of the bread increase.

While I am on my feet, perhaps I might give the information that I promised to give the House in answer to questions posed yesterday.

Some hon. Members: Oh, oh!

Mr. Gray: I would like to—

Mr. Speaker: Order, please. The minister will be recognized in due course for that purpose.

Mr. Bell: Plant a question.

Mr. Speaker: Order, please. In order to proceed in an orderly way, I believe we should allow the hon. member for Toronto-Lakeshore first to ask his supplementary question, and then we will try to complete the first round of questioning.

BREAD PRICES—RESULTS OF REPRESENTATIONS BY MINISTER TO BAKERIES

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, in view of the anxiety of the minister to tell us something about the price of bread, may I run the risk of setting him up by asking this question: In view of the fact that today Weston Bakeries announced that they were going to withhold for the time being the full price increases they have in mind, will the minister tell the house the results of any contacts he has had with other bakeries and what assurance he can give the House in respect of their price plans?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I should like to thank the hon. member for giving me the opportunity to add further information to the information I have previously given. As a result of my contacts with the bakery industry for the purpose of having them restrain increases in the price of bread, at least until after further meetings with the Food Prices Review Board, as the hon. member has suggested I have been informed that Weston Bakeries are rolling back tomorrow their planned four cent per loaf increase in Quebec to three cents.

Some hon. Members: Oh, oh!

Mr. Gray: In the province of Ontario I am informed they will be increasing their price on Monday, March 11, by no more than two cents. With respect to the Steinberg chain, I am informed that they have not increased prices on their private label house brands yet. They plan to increase the price of their private label breads by no more than two cents. With respect to A & P, they will be increasing their price on private label white bread by no more than two cents in places other than Quebec and in Quebec they plan to raise their price but only by three cents. With respect to Corporate Foods, the increase in Ontario—

Some hon. Members: Oh, oh!

Some hon. Members: Order!

Mr. Gray: If I may complete my remarks, I am simply doing what I said to the House yesterday I would do.

An hon. Member: On motions.

Mr. Speaker: Order, please. Perhaps the minister might try to give the information as briefly as possible. As the hon. minister will realize, if he gives a lengthy reply which is really in the form of a statement he should expect statements to be made in reply by the opposition parties. I would hope that the information he is giving to the House at this time would be given briefly.

Mr. Gray: I will heed your admonition, Mr. Speaker. Corporate Food Bakeries inform me that in Ontario they are increasing their standard 24-ounce white loaf by two cents on Monday, March 11. The Safeway chain has advised that they will not be increasing the price of their private brand white bread for an indefinite period, at least until the end of March.

Mr. Baker: They are not going to wrap it.

Mr. Grier: For what period of time have these commitments on prices by these bakeries been undertaken?

Mr. Gray: Mr. Speaker, it is my understanding that this is certainly until after the meetings with the Food Prices Review Board and likely until the end of the month of March.

REQUEST FOR ACTION TO ENSURE NO FURTHER INCREASES IN PRICE OF BREAD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the minister. In view of the fact that all of the relevant confidential bookkeeping data of the bakeries has already been given to the Food Prices Review Board and the board has made a recommendation based on that data, may I ask the minister if the government is now prepared to take immediate steps to ensure that there will be no further increases in the price of bread?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have already informed the House that the steps indicated in the Prime Minister's statement of last fall were that the government would be prepared to consider further action after the parties mentioned in a Food Prices Review Board report had appeared before the board for discussions. This meeting is to take place on March 20, as the House knows, and we will be prepared to take appropriate action in light of the results of that meeting.

● (1420)

[*Translation*]

FINANCE

SUGGESTED ELIMINATION OF ARTIFICIAL RESTRICTIONS ON AVAILABILITY OF CREDIT

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

In view of the fact that the last five years U.S. banks and finance companies have tripled business in Canada, the total figure going from $961 million to more than $2.7 billions, which shows that because of the artificial credit restrictions by the Bank of Canada Canadians must seek in the United States the funds required for their economic activities, can the right hon. Prime Minister tell the House what measures he will take to abolish artificial restrictions on access to credit for Canadians in their own country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there are many approaches to this question. I cannot cover them all briefly. But the hon. member will surely remember that the Minister of Finance has encouraged provinces in particular not to borrow from foreign sources during these years precisely to prevent an increase in American credit in the United States.

The provinces have followed partly these recommendations, but I do not believe that the hon. member would ask the government to prevent provinces or even corporations from borrowing on the world markets.

Mr. Matte: I wish to ask a supplementary question, Mr. Speaker.

Can the right hon. Prime Minister tell us if he believes that what is physically possible in Canada can be financially realizable in our country?

Mr. Trudeau: Yes, Mr. Speaker.

* * *

[*English*]

ENERGY

PRICE OF HEATING OIL PURCHASED BY GOVERNMENT—RESULT OF TRANSACTION

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Supply and Services. Several months ago the minister was asked what price the Canadian Commercial Corporation had paid for the 40 million gallons of distilled oil it had purchased and the minister replied that competitive circumstances made it undesirable to release the figure. In view of the fact that these competitive circumstances no longer prevail, would the minister now tell the House what price the corporation paid for this heating oil?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): First of all, Mr. Speaker, I should just like to say that the hon. member gives the wrong impression when he says that the Canadian Commercial Corporation bought the oil. In fact, the department itself did so.

[Mr. Gray.]

Second, I am not now in a position to reveal what price was paid because incidental expenses still have to be taken into account. As soon as these have been figured out, the government should then be able to announce the exact cost of that purchase.

[*English*]

Mr. Andre: In view of the minister's answer, could he indicate to the House the total amount of oil that was purchased, whether the oil has now been sold and whether there was a net loss or some money made in the course of this transaction?

[*Translation*]

Mr. Goyer: Mr. Speaker, the hon. member will understand that because of the very mild winter we have had, the oil has not yet been used. I am not now in a position to say exactly how many barrels were purchased but I shall be pleased to advise the hon. member of it tomorrow.

* * *

[*English*]

AGRICULTURE

IMPORTS OF UNITED STATES CATTLE—REQUEST FOR IMMEDIATE ACTION TO ASSIST CANADIAN CATTLEMEN

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is supplementary to the one asked by the hon. member for Medicine Hat and is directed to the Prime Minister. When the price of beef reached its peak last August the government moved very quickly to control prices. Would the Prime Minister now undertake to have the government move as quickly to stop the abnormal influx of American cattle which is disrupting the market and bankrupting the industry?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member will consider the government's program as announced in the Speech from the Throne with regard to agriculture he will see that it consists essentially of a series of measures aimed at increasing supply in Canada and therefore benefiting the consumer, while at the same time ensuring various forms of income guarantee to agricultural producers. These measures will be brought in during the course of the session and I hope that they will be explained to and understood by the Canadian public. In the meantime one cannot help remarking that yesterday the Tories were complaining that the price of bread was too high and today they are complaining that the price of meat is too low. We would like to know where they stand.

Mr. Lambert (Edmonton West): That is totally wrong.

Mr. Towers: In view of the serious situation of the industry and as cattlemen cannot wait for delayed decisions on the part of the government, will the Prime Minister not now commit the government to making an immediate decision and have the Minister of Agriculture announce it prior to his leaving the House next Monday?

Mr. Trudeau: Mr. Speaker, the order in which matters will take place in this session will be discussed in the usual manner by the government House leader and the

other House leaders. We would be glad, for instance, if the opposition wants to give up some of its opposition days before the end of the month, to replace them with good government legislation.

Mr. Bell: But you have not got anything ready.

* * *

ARTS AND SCIENCES

PROPOSED ESTABLISHMENT OF GRANT COUNCILS FOR SOCIAL AND NATURAL SCIENCES AND HUMANITIES—POSITION OF NATIONAL RESEARCH AND CANADA COUNCILS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of State for Science and Technology. May I ask whether the announcement in the Speech from the Throne of the establishment of granting councils, one for social sciences, one for the humanities and another for natural sciences, means that the National Research Council and the Canada Council will be phased out of operation?

Hon. Jeanne Sauvé (Minister of State for Science and Technology): No, Mr. Speaker, it does not mean that they will be phased out of operation. The National Research Council will continue with its laboratory functions and the Canada Council will continue to promote the arts.

CONSIDERATION GIVEN BY CABINET TO ADVICE OF MINISTRY OF STATE FOR SCIENCE AND TECHNOLOGY

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, may I direct a supplementary question to the Minister of State for Science and Technology. The throne speech suggests and a subsequent statement released by the minister says that the advice of the Ministry of State for Science and Technology will increasingly be taken into account by the cabinet. What new mechanisms does she foresee to ensure that this will happen, or is this simply a promise from the Prime Minister that from now on the cabinet will listen to the minister's ideas?

Hon. Jeanne Sauvé (Minister of State for Science and Technology): No, Mr. Speaker—

Mr. Speaker: Order, please. I will allow the hon. minister to reply to the question. I was going to take issue with the form of the question but perhaps it might be easier to allow the minister to reply.

Mrs. Sauvé: No, Mr. Speaker. A mechanism has been worked out between my ministry and the Treasury Board. If the hon. member would refer to the speech I made last Friday in the House, he would realize that apart from that mechanism I will be in a position to publish science expenditures before the fact, that is, before they are approved by parliament, so they can be available for public discussion.

Some hon. Members: Hear, hear!

PROPOSED GRANT COUNCILS—METHOD OF OPERATION—OPPORTUNITY FOR INTERESTED GROUPS TO COMMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a further question for the Minister of State for Science and Technology. Will the minister provide an ample opportunity to learned societies, cultural groups and other interested people before definite decisions are taken as to the precise role and method of operation for any new granting council operating alongside the Canada Council and the National Research Council to make comments upon the minister's proposals?

Hon. Jeanne Sauvé (Minister of State for Science and Technology): I am always happy to consider the comments of the learned societies.

* * *

LABOUR CONDITIONS

REQUEST BY BRITISH COLUMBIA MINISTER FOR DELEGATION OF JURISDICTION TO PROVINCE IN FISHING INDUSTRY

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Labour of which I gave him notice yesterday. Has the minister received a request from the Minister of Labour of the province of British Columbia for delegation by the federal government to the province of labour jurisdiction in the British Columbia fishing industry? If so, what action has he taken on this request?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I have received such a telegram. We are in the process of advising the minister that the matter is actually before the courts because there has been an application for certification before the Canada Labour Relations Board that raises the jurisdictional question. So it will be resolved from a judicial point of view. In the meantime, our position is that we have jurisdiction and will proceed.

Mr. Barnett: Mr. Speaker, I think I am free to ask this question despite the minister's reference to some subject matter before the courts. My supplementary arises from the minister's statement about the jurisdiction which he says the federal government has under existing law. I am sure the minister is aware of the confusion about jurisdiction. Is the minister prepared in this session to introduce further legislation amending the Canada Labour Relations Act which will in fact make clear what the federal jurisdiction is with regard to most of the fishermen who are not now covered by any labour law legislation?

Mr. Munro (Hamilton East): Mr. Speaker, I would be prepared to give that some consideration. I should have added in my previous answer that there is some legal question whether in fact we could delegate authority, even if we were asked to do so, without a special act of parliament. Be that as it may, and further to the particular question the hon. member has asked, I would advise the hon. member that when we made the most recent amendments to the Canada Labour Code we were the first as a federal government to make amendments that would provide bargaining rights to fishermen. We acknowledged the fact that they are entitled to them. We recognize that in

the code. If further amendments are required to protect them in their negotiations with employers, we will be prepared to consider them.

* * *

VETERANS AFFAIRS

REQUEST FOR ACTION TO EXPEDITE PROCESSING OF APPLICATIONS FOR PENSIONS AND ALLOWANCES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the honourable and gallant Minister of Veterans Affairs. Veterans are being advised that because of the very large increase in the number of applications for pensions and allowances they may well have to wait for 18 months before a decision is made in their respective cases. Would the minister endeavour to dispose of the backlog of cases by adding ad hoc additional members to pension boards and the like in order that veterans will not be obliged to wait as long as is at present anticipated?

● (1430)

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): We have been making considerable progress with pension applications. I might refer to December, 1972. We had 719 submissions and 103 favourable decisions at that time. In December, 1973, we had 813 submissions and 308 favourable decisions. In other words, favourable decisions in that particular month had increased by a couple of hundred. I also want to inform the right hon. member that the Pension Commission is working very hard indeed and they are really keyed up. I spent about three hours there one day last week with the people who are working there. We have a back-up staff of doctors and so on. I was very fortunate last month to be able to obtain the services of an additional doctor. We have to have a certain type of group to go and meet veterans out in the country. For instance, we have these appeal boards. We would like very much to have a doctor who has considerable experience—

Mr. Speaker: Order, please.

Mr. Diefenbaker: I thank the minister for his voluble attempt at an answer, but I ask him whether or nor it is a fact that veterans—they cannot be answered by statistics—are today being advised that they may expect to have to wait 18 months because of the backlog?

Mr. MacDonald (Cardigan): Mr. Speaker, I would be very happy to contradict that. I would not want that to go round the country at all.

Some hon. Members: Oh, oh!

Mr. MacDonald (Cardigan): It is far from being true. As hon. members know, assessment of pension rights involves considerable detail and fact-finding. But cases which are of a specific nature, for example, a case affecting a veteran's widow or a man who is not able to look after himself and needs additional care, can be brought forward. Not very many, we anticipate, will have to wait 18 months.

Some hon. Members: How many?

[Mr. Munro (Hamilton East).]

Mr. Diefenbaker: You are so advised!

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Does the minister appreciate that the difficulty with details he mentioned arises because the records go back so far and that by changing the benefit of the doubt clause many of the applications which constitute the backlog could be cleared up? Would the minister look at that clause very carefully and try to relieve the situation so that applications can be cleared up quickly?

Mr. MacDonald (Cardigan): I will give that matter consideration.

* * *

[*Translation*]

EXTERNAL AFFAIRS

PROPOSED ASSOCIATION OF CANADA AND TURKS AND CAICOS ISLANDS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Is he aware of the fact that the State Council of the Turks and Caicos Islands of the West Indies has prepared a petition requesting from Great Britain the authorization to negotiate an association with Canada? If so, is the Canadian government favourable to such an association?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am aware of the fact that the council has prepared a petition to the British government. A copy of this petition has come to us. Of course, it has not been transmitted officially by the British government as it would have to be if there was to be a request to us. If I might express my view as Secretary of State for External Affairs, it does seem to me to be very undesirable to raise the expectations of the people of those islands that they will join Canada when this question has not been settled by this government or in this House.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

POSITION OF FORMER EMPLOYEE OF DOSCO PRERETIRED BY DEVCO

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. I might say by way of preface that we often hear the term "Philadelphia lawyers". A case of this kind would occupy all the lawyers in Philadelphia. Failing their services, I would depend on the minister who is working toward the fulfilment of legislation passed by the House in 1967. I would ask him about the case of Mr. Campbell, a long-time employee of Dosco who, preretired by Devco, found himself on the preretirement leave of absence plan of another company, one for which he had never worked a day in his life. I ask the minister how such an arrangement could come about?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): I would say to the hon. member that since both of us are residents of the Atlantic provinces, perhaps in addition to those Philadelphia lawyers we ought to put in a couple of sea lawyers like himself and myself to try to work it out. I am grateful to the hon. member for having brought this case to my attention. As he is aware, I have made inquiries with regard to this case and if I receive information which I have not already given him I shall be glad to make it available and discuss it with him.

Mr. MacInnis (Cape Breton-East Richmond): I wonder whether the minister will treat this matter with the sense of urgency it deserves and provide an answer, say as of yesterday or no later than tomorrow, and inform the House why a man can be placed on the preretirement plan of a company for which he has never worked and why some kind of financial arrangement, a very strange one, can be made whereby Devco pays his preretirement for the other company?

Mr. Jamieson: I obviously cannot get an answer for yesterday, although I did give the hon. member one answer which obviously did not satisfy him. I will communicate again with the parties concerned and endeavour to get him an answer, if not tomorrow, then as soon as possible.

Mr. MacInnis (Cape Breton-East Richmond): Get on the hot line to Tom Kent's office.

* * *

ENERGY

CONCERN OF FARMERS OF SOUTHWESTERN ONTARIO ABOUT ROUTE OF PROPOSED OIL PIPELINE EXTENSION

Mr. William C. Frank (Middlesex): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. In view of the concern recently expressed by farmers that the proposed route for extension of the oil pipeline will result in the rape of prime agricultural land in southwestern Ontario, and in view of the answer given my colleague from Huron yesterday, can the minister tell the House whether he has received direct representations from these farmers or by farm organizations on their behalf in recent weeks?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): If by direct representations the hon. member means representations to me, the answer is no.

Mr. Frank: Then I should like to direct a supplementary question to the Minister of Agriculture. In light of the reply given by the Minister of Energy, Mines and Resources to my first question, can the Minister of Agriculture tell the House why he has not made serious representations to his colleague following the many representations to him both by letter and personally by the farmers affected and by their organizations in connection with the proposed pipeline?

Hon. E. F. Whelan (Minister of Agriculture): The representations made to me have been passed on to the departments concerned, including the Department of Energy, Mines and Resources. We have had correspondence about it between ourselves.

Mr. Frank: On a question of privilege, Mr. Speaker—

Mr. Speaker: The hon. member rises on a question of privilege. I hope it will be brief because we are running short of time.

Mr. Frank: Yes, Mr. Speaker. In his answer to me the Minister of Energy, Mines and Resources said he had not received representations. I said "directly or indirectly", by farmers or otherwise. The Minister of Agriculture now tells us he has made representations. Who are the farmers to believe?

Mr. Speaker: That is hardly a question of privilege. Perhaps the hon. member would like to ask a supplementary question to try to solve the difficulty, after which I shall recognize the hon. member for Brant.

● (1440)

Mr. Frank: My supplementary question is for the Minister of Energy, Mines and Resources. In view of the fact these farmers, whether rightly or wrongly, are looking at the installation of this proposed pipeline and the replacement of earth involved in a three-foot pit with some seriousness, does the minister consider the policies expounded by some assistants in the energy department as fact and, if they are fact, what is the point of having these future hearings?

Mr. Macdonald (Rosedale): Mr. Speaker, may I just remind the hon. gentleman that he asked me whether there were direct representations made. I repeated his question, and there were none. I hope he will not try to confuse the issue in this regard. My understanding is that his party and his leader were in favour of putting additional oil supplies into Montreal from Canadian sources at an early date. This remains the policy of the government and I hope we will continue to have their support.

* * *

INQUIRY OF THE MINISTRY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the right hon. Prime Minister. May I ask the Prime Minister whether he has considered giving Mrs. Hartling, head of the national anti-poverty organization, the same salary, program funding and personnel as the government has so generously given Mrs. Plumptre and her staff, which will amount to approximately $1.9 million in 1974?

Mr. Speaker: Order, please. I am sure that question can be placed on the order paper or considered at the time of adjournment in case of urgency.

Oral Questions

ADMINISTRATION OF JUSTICE

REASON THAT CERTAIN EMPLOYEES OF DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS NOT PROSECUTED FOR THEFT

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, my question is directed to the Solicitor General in his capacity as spokesman for the RCMP. In view of the fact the people of Canada have been informed that certain civil servants within the Department of Consumer and Corporate Affairs have not been prosecuted for theft because they claimed that they had only borrowed certain goods from that department, and in view of the fact that section 283 of the Criminal Code defines theft in words that cover borrowing or taking permanently by using the words "to deprive, temporarily or absolutely", would the Solicitor General, either today or in a statement tomorrow on motions, inform the House and the Canadian people of the true reason why prosecutions did not take place?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will look into this, but I should point out that enforcement of the Criminal Code in Ontario comes within the jurisdiction of the Attorney General for Ontario and the Ontario Provincial Police.

Mr. Dick: I appreciate the answer of the Solicitor General, but since the RCMP investigated this matter as it fell within federal jurisdiction—

Some hon. Members: Question!

Mr. Dick: —I request the Solicitor General to give us the reason why the RCMP did not lay charges.

Mr. Allmand: Mr. Speaker, as I said in my first answer, I will look into this matter and give a report to the House as soon as possible.

* * *

AGRICULTURE

BEEF—NECESSITY OF ACTION TO ASSIST CATTLE PRODUCERS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Prime Minister and it relates to beef prices which were discussed earlier today. I might say that I express surprise at the Prime Minister's answer as it is evident that he did not know that, in spite of the crisis, the price to the consumer has not gone down.

Mr. Speaker: Order, please. I have to interrupt the hon. member to invite him and other hon. members to ask their questions as directly as possible without preambles and little statements. We would save time if we proceeded in a more orderly fashion.

Mr. Jarvis: In light of the fact that the Speech from the Throne contained some very welcome suggestions to the effect that the government intends to give "incentives to increase the production of livestock necessary to provide for Canadian and export markets", and in view of the current beef crisis, is the Prime Minister aware that unless immediate steps are taken to mitigate that crisis there will be no beef industry to give any incentive to because all the producers will be bankrupt?

[Mr. Speaker.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the prediction of the hon. member is not one with which I agree. The position of the government is that supplies can and will increase. As to the stability of returns, the hon. member will recall that his own party rejected the proposition made by this government some years ago that marketing boards could be extended to cattle if the cattlemen so wanted. This is one tool they have not chosen to use, I believe in accord with the Tory party.

Mr. Jarvis: Mr. Speaker, I have a supplementary question for the Minister of Agriculture. In light of his rejection of the proposals of the Canadian Cattlemen's Association at the meeting yesterday, would the minister indicate what counter-proposals, if any, he made to the association yesterday?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not know where the hon. gentleman gets his information, but I can honestly say that I rejected nothing that the Canadian cattlemen presented to us yesterday. I said that their proposals would be considered, and they will be considered.

* * *

EMERGENCY GOLD MINING ASSISTANCE ACT

POSSIBILITY OF AMENDMENT TO INCREASE SUBSIDY IN ORDER TO ENCOURAGE DEVELOPMENT

Mr. Arnold Peters (Timiskaming): Mr. Speaker, may I ask the Minister of Energy, Mines and Resources whether he is giving consideration to amending the Emergency Gold Mining Assistance Act to bring into line the subsidy guarantee in order to encourage development of the gold mining industry in northern Ontario?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman will recall that the period of time for EGMA was extended, but given the current commercial price of gold it seems unlikely that that kind of floor will be needed to encourage anyone to get into the gold mining industry.

Mr. Peters: I am pleased to hear that the minister understands the problem. I now ask him to overcome that problem. Will he raise the floor to a level that will ensure long-range investment by the industry in the production of gold, taking into account the anticipated price of $200 an ounce?

Mr. Macdonald (Rosedale): Mr. Speaker, I think I would have to say that the commercial market has done far more than I could ever do in this regard.

HEALTH

REQUEST FOR ASSURANCE MEDICAL RESEARCH FUNDS WILL NOT BE REDUCED

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the widespread fears and anxieties being caused by the cutback in medical research funds due to inflation, can the minister assure the people, many of whom have lost relatives or friends with incurable diseases, that there will be no cutback in research funds or any loss of teachers or professors in those fields?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all I should like to state that there has not been and there will not be a cutback in funds allocated to medical research. I believe these funds will represent an additional $2 million for the Medical Research Council. Second, the council decides on the allocation as between the various fields of research; this is a matter to be decided by the council. As for the total funds allocated, I would like to stress that since 1963 the funds allocated to the council have increased eightfold, from $5 million to just over $40 million.

Mr. Rynard: May I tell the minister that this is the lowest increase given by the second highest inflationary government in history. How could there be an increase?

Mr. Speaker: Order, please.

PRESENCE OF DES IN UNITED STATES CATTLE IMPORTED INTO CANADA

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. On February 28 I asked the Minister of Agriculture a question with respect to United States cattle reaching the Canadian market having been fed on the food supplement DES. At that time the minister stated that he would have a conference with the Minister of National Health and Welfare. Has the minister had that conference with the Minister of Agriculture regarding United States cattle that have been given this cancer promoting additive to feed, or whatever you want to call it, and what steps is the minister taking now to protect the health of Canadians?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the Minister of Agriculture stated a while ago, we have had many discussions on the matter and we will probably have others. As to the step mentioned by the hon. member, I would like to point out, like the Minister of Agriculture, that several weeks will elapse before the arrival on the Canadian market of any American product treated with DES. I would also like to point out that the government has contacted American authorities and that we will take the necessary steps so that no meat treated with DES will be imported from the United States. We will then consider the application of a certification system guaranteed by the American government and we will also carry proper tests.

● (1450)

[*English*]

Mr. Speaker: Order, please. We have reached the end of the question period. Perhaps the Chair might be allowed to recognize the hon. member for Saint John-Lancaster before calling orders of the day.

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TRANSPORT

LOSS OF SHIPMENT OF NICKELS BEING MOVED BY RAIL TO WINNIPEG

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, may I ask the Minister of Transport if he now has information on the case of the missing coins which took place in the dark of night on a train on the way to Winnipeg?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, immediately after the question was asked yesterday I put the question to Canadian National Railways and asked for an answer right away, but I have not received the answer.

Mr. Hargrave: Mr. Speaker, I rise on a point of order concerning the comment made by the Minister of Agriculture in respect of the use of DES. I am sure the minister realizes it is common knowledge that the DES implant or growth stimulant is used quite frequently in feeding heifers in feedlots and also that DES is readily available in the United States and is indeed being used right now in the United States. It seems to me—

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member. He has made his point. Now that he has made his statement I do not really think it is a point of order. If the hon. member feels that the information he has obtained today is not exact he might pursue the matter during the question period tomorrow.

Mr. Frank: Mr. Speaker, in view of the misinterpretation of my earlier question I should like to pursue this very important matter at ten o'clock.

SPEECH FROM THE THRONE

[*English*]

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Tuesday, March 5, consideration of the motion of Mr. Stollery for an address to His Excellency the Governor general in reply to his speech at the opening of the session.

Mr. Speaker: Order, please. I believe there was some difficulty at the time of adjournment yesterday concerning the order of speakers. I think there might be agreement that the Chair recognize the Minister responsible for Urban Affairs followed by the hon. member for Saskatoon-Biggar (Mr. Gleave).

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, when I rose I was not aware that there had been some difficulty at the conclusion of yesterday's debate. If the fact I have been recognized has caused the hon. member for Saskatoon-Biggar any difficulty or inconvenience I apologize to him.

In entering the debate at this time I wish to join all of our colleagues who have extended their congratulations to His Excellency the Governor General and to his lady upon their appointment. As a couple they follow in the footsteps of many distinguished predecessors, and members of the House of Commons who know Their Excellencies know they have the qualities to carry out the job with dignity, warmth and very great charm. I also join with members of this House in extending congratulations to the mover and seconder of the Speech from the Throne, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier) for their fine contribution to this debate.

I welcome the opportunity to enter the debate because it allows me to review, for the benefit of hon. members and for the benefit of the people of Canada, the progress that has been made in the solution of urban problems, especially the progress toward our goal as a government as well as a nation of making available good housing at reasonable cost to all Canadians wherever they live. Before beginning my remarks on housing and urban affairs more generally, I should like to devote if I may a few moments to matters that affect me as a minister from British Columbia which were mentioned in the Speech from the Throne. One of the highest priorities of people in British Columbia is the opening up of the northern part of the province and the development of their northern resources and northern industrial capability. The major port and railway program agreement made between British Columbia and the federal government announced the day before the Western Economic Opportunities Conference, will make those aspirations a reality. That agreement, coupled with a major further agreement to be signed between British Columbia and the government of Canada by my colleague and seatmate, the minister responsible for regional economic expansion, will, as I say, allow those aspirations of British Columbians to become a reality.

A key transportation component announced at the Western Economic Opportunities Conference is the construction of the Clinton-Ashcroft link between the CNR and the British Columbia Railway. Although this construction is taking place in British Columbia, all western provinces will benefit from it. Those in this House who ask daily questions about the movement of wheat will realize that when bad weather closes the rail lines through the Fraser Canyon, the one outlet to the Port of Vancouver, as it has done on several occasions, the building of the Clinton-Ashcroft passage will enable us to keep the grain shipments and other freight moving between the prairies and the port of Vancouver to the markets of the world. Tnat, of course, must be proceeded with, as was outlined in that agreement, with haste.

I should like to dwell for a moment on recent federal contributions to western port development. Last year the federal government spent almost one half the total National Harbours Board budget in British Columbia.

[Mr. Speaker.]

An hon. Member: Shame.

Mr. Basford: I am delighted to hear my colleague from the Progressive Conservative Party across the way say "shame" to that. That is usually the way they regard British Columbia problems.

Specific projects now under development include the $30 million Vanterm Container Facility and the $20 million Lynnterm Deep Sea Terminal. This kind of capital expenditure will be continuing for some years. Outside the Vancouver port area a feasibility study is presently being conducted into the next phase of the Roberts Bank port development. For Prince Rupert, the federal government, apart entirely from the railway expansion program, has already announced a $17 million program for port expansion. These are exciting and bold developments which will ensure a strong base from which to compete for world trade. Many of the complaints about our present system of administering ports cannot be measured in terms of personnel and money. The government and my colleague, the Minister of Transport (Mr. Marchand), the responsible minister, recognized this in the Speech from the Throne by calling for the development of a new ports policy aimed at establishing a high degree of local involvement.

● (1500)

I believe there is a pressing need, and I speak as a member from British Columbia, for an independent regional port authority for western Canada. For far too long we have tried unsuccessfully to evolve a single national ports policy for all of Canada. To continue to view all Canadian port facilities as a monolithic entity in the hope of finding a comprehensive ports policy is to miss entirely the crux of the complaints from the various regional ports, particularly those located in the west.

Vancouver and Prince Rupert are national ports, national in every sense of the word, but they are also western ports serving the four western provinces particularly, and the need for a national ports policy must therefore be reconciled with the essential requirement for greater regional involvement in their operation, their management and their planning. It is with that recognition that the statement in the Speech from the Throne appears in respect of the evolution of a new ports policy.

Mr. Alexander: Let's get down to the $75,000 homes in Toronto.

Mr. Basford: The hon. member for Hamilton West (Mr. Alexander) suggests that we get down to housing, that is what I want to do.

Urban matters and housing are among the main priorities of the government. This is adequately demonstrated by the attention devoted to urban matters and to housing in the Speech from the Throne, from which I quote as follows:

> In the domain of social policy the government is playing a vital role to achieve a more balanced pattern of urban growth and to increase the quality of life in our cities in co-operation with the provinces and municipalities. Improved means of public transportation are indispensable to the achievement of these urban goals. Measures will be introduced to establish a National Urban Transportation Development Corporation to co-ordinate and market the development of required new technology in this field. You will be asked to consider measures to

assist provinces and cities in the relocation of railway lines and terminals and in the redevelopment of these areas for purposes that will enhance the environment of many of our cities and towns.

And further:

Provision of adequate shelter at reasonable prices in a satisfactory neighbourhood environment has been a continuing concern of the Government, and levels of funding to meet this objective are being reviewed. Substantial assistance to rural and native housing programs will also be proposed.

I notice an hon. member from Newfoundland desires to say something and I draw that particular reference to his attention. To continue with the statement:

The sewage assistance program will be revised to make it more effective as a means to increase the supply of serviced land. The Government will introduce measures to increase the protection available to consumers in the housing market.

Mr. Alexander: You are going to have a busy session.

Mr. Basford: Our first objective is to manage urban growth before it manages us. I come from Vancouver and I am anxious that Vancouver and our other major cities in this country such as Toronto, Montreal, Winnipeg, Halifax and others—

Mr. Alexander: And Hamilton.

Mr. Basford: The whole Hamilton-Toronto axis, yes. I am anxious that they should flourish in the future as they have in the past. But too rapid growth in those urban centres causes numerous problems, which we are experiencing now, for those large cities; numerous problems in housing, land costs, long distances to be travelled between home and work, pollution and the lack of amenities, and we now see this phenomenon within the country. To concentrate growth in a few large cities will leave much of rural Canada in the prairie provinces, Quebec, Ontario and in some of the Atlantic provinces, as well as many small towns and cities, in a desperate position with no growth, or even losing growth.

These are national problems and the federal government has already taken a strong lead in things that should be solved on a national basis by co-operation at the federal, provincial and municipal levels of government. As the throne speech has indicated, the federal government intends to do much more in this regard during the forthcoming session in terms of developing in a co-operative way within this country good techniques of managing urban growth.

Our second main objective relates to the quality of life in the cities we have today, especially the quality of life in the central cores of our largest cities. All of us in this House who represent city ridings can think of neighbourhoods in those cities as well as small communities and small towns which are threatened by social as well as physical decay.

Two federal programs that this parliament enacted which are designed to meet these needs were introduced and passed last session through amendments to the National Housing Act. I refer to the neighbourhood improvement program and to the residential rehabilitation program in particular, both of which programs I am now happy to report, some months after passage of the legislation, have been well received by provincial and municipal governments.

In recent months I have visited all of the provinces and raised these matters with their responsible ministers. We now have neighbourhood improvement agreements to provide for the selection of neighbourhoods within these provinces and for the rejuvenation of these neighbourhoods. We now have agreements with six provinces and I am confident that we will soon have agreements with all of them.

To the extent that we are able to go back into our older neighbourhoods and communities and rehabilitate them and the housing in them we are improving the life in our cities but, more importantly in today's context, we can through this technique provide a large stock of more moderately priced housing and relieve some of the pressures we now see for new land, new subdivisions, new housing and new servicing.

In today's society we talk about the need to recycle many things, including bottles and tin cans. we talk about all the environmental factors and the need to recycle these things. These two new programs are designed to recycle housing in neighbourhoods, and they are essential. I would hope all hon. members in this House will work with me toward assuring that the provinces name the particular neighbourhoods to which these programs should apply as quickly as possible so the programs can begin doing what they are designed to do.

Hon. members and all Canadians have their own ideas, of course, about urban needs, ideal cities, the need for good housing at reasonable cost, clean air, convenient transportation, attractive surroundings, security, excitement and so on.

An hon. Member: Oh boy!

Mr. Basford: There is less agreement on how we should solve the problems of transforming our towns and cities to meet these views. Having regard to the contents of the Speech from the Throne, I wanted to discuss a number of topics, but I should like to concentrate particularly on urban transportation and housing. Let me begin with urban transportation.

There can surely be little disagreement that, in our larger cities at any rate, there is a need for a shift away from the automobile toward public transit systems, especially given today's land and energy situation. For this reason, the throne speech announced our intention as a government to create a national urban transportation development corporation. We have been having discussions with the provinces, and these will be intensified with interested provinces to seek their participation in the establishment of this corporation.

Scarcely a week goes by without the appearance of some new or improved scheme for improving public transit, but in some cases we do not need to wait, and we should not get carried away waiting for some new exotic system to be developed. For example, in terms of public transit, one of the more immediate needs in many of our cities is a good dial-a-bus system. Some of our cities are indeed experimenting in this regard. In many of our cities there are railway tracks and other facilities that could be adapted to

meet both light and heavy urban transit needs. I forsee the national urban transportation development corporation being able, once established, to supply these equipment needs to municipal and provincial systems in the best, fastest, and cheapest way.

● (1510)

We will be providing, in the railway relocation bill that my colleague, the Minister of transport and I will be introducing, that existing rail lines, rights of way, and other facilities can be recycled as part of an urban transportation plan for use for urban and interurban services.

Mr. Alexander: It's about time. You have been studying it for three years.

Mr. Basford: I am delighted to note, from comments from Conservatives and members of the NDP, that this measure will have their immediate and overwhelming support. I hope that, therefore, it will have easy and quick passage through the House.

Mr. Alexander: Let us see the fine print.

Mr. Basford: In other cases, however, our towns and cities have networks of rail tracks and yards that, because of changes in transportation methods, are now under-utilized to meet current needs, and do not in any sense need to occupy the large tracts of urban land that they presently occupy. The railway relocation legislation will provide a vital means by which the quality of life in many Canadian cities, large and small, can be significantly improved, and under which huge tracts of downtown land can be made available for residential and commercial use.

I draw attention to studies that have been conducted in many cities, and in particular the city of Winnipeg, where the matter is a controversial one. In that city there are at least three different proposals for railway relocation and, without indicating a preference for either of them, if the bulk of the railway tracks could be removed from the Arlington yards this would free 600 acres of downtown land for housing and commercial use thereby, as is the case with the neighbourhood improvement program and the repair and rehabilitation program, taking some of the pressure off the need for new land, new services and new communities. Before outlining the housing measures, legislative and otherwise, which we are preparing for the year ahead, I should like a moment to review the progress which we have achieved toward meeting our goal, under the National Housing Act, of creating good housing at an affordable cost for all Canadians, and to put these activities into some kind of perspective.

However, this kind of comparison is not a source of self-satisfaction to the government. We will not be satisfied as long as there are families who lack the kind of home that contributes to their fullest possible well being. So, Mr. Speaker, I think that hon. members on all sides of the House will readily concede that in terms of getting houses built we are doing a good job.

Some 268,000 new housing units were started during 1973, more than in any other year in Canadian history.

Mr. Gillies: How many single family houses?

[Mr. Basford.]

Mr. Basford: The hon. member asks how many single family houses. We had a record number of single family housing formations during the same period.

Mr. Gillies: That is just nonsense.

Mr. Basford: I am amused at the static I hear coming from Conservative members from Ontario. They are criticizing me for policies that have generated 268,000 housing units in one year, but only yesterday their provincial colleagues were taking credit for creating just 100,000 housing units.

Mr. Alexander: Don't let us get you confused.

Mr. Basford: Before the end of the month of March somewhere in Canada workmen will begin laying the foundation for the one millionth housing unit to be constructed in Canada since 1970,—

Some hon. Members: Hear, hear!

Mr. Basford: —exceeding the forecast needs quoted by the Economic Council of Canada. If I had time I could quote speech after speech from hon. members opposite saying that we must meet the target set by the Economic Council of Canada. For their benefit, I simply want to record the fact that we are exceeding that target. If hon. members opposite want to draw a comparison with the United States, I would point out that housing starts in Canada increased by 8 per cent last year, while they declined by 14 per cent in the United States. That is a startling comparison that underlines the success of Canadian policy.

Looking forward to 1974, and taking into account the impact of our new social housing programs which will create more low and medium priced housing than has ever been built in the past, I believe that we have a very good chance of matching if not exceeding the 1973 record. As hon. members know very well—

Mr. Gillies: What is a medium priced house?

Mr. Basford: Again, I am getting some static from hon. members opposite. All hon. members know very well, it is one thing to build housing, and it is another thing to see that housing is fairly distributed to people who need it, senior citizens, and low and moderate income Canadians. That distribution is the major problem at which housing policy is aimed. My colleague, the Minister of Finance (Mr. Turner), in his extremely able address yesterday dealt with the general question of inflation and rising costs.

Mr. Lambert (Edmonton West): He did not.

Mr. Basford: He dealt with it very ably, if I may say so, and rather than dealing with the matters with which he dealt yesterday I will deal with the distribution of housing, and with why we are pushing all of our new housing programs which offer practical and immediate help to people who need it most.

An important element in housing costs is the cost of serviced urban land. The objective of the land assembly program is to overcome this phenomenon by providing

serviced land where and when it is needed. Hon. members will recall that more than a year ago we undertook to provide at least $100 million per year for five years for public land assembly schemes. Incidentally this was twice the amount recommended by the Leader of the Opposition (Mr. Stanfield) at that time.

The response of other governments was initially slow, but I am happy to report to the House at this point that as a result of my travels and meetings with provincial governments, and as a result of the efforts of federal officials and provincial governments, we exceeded our target in 1973, so by the end of that year we were able to commit $150 million for land assembly. There are prospects for the coming year of very substantial commitments for land assembly. It has our complete support as a government.

● (1520)

As a result of the changes that I announced at the trilevel conference on urban affairs in Edmonton in October, the bulk of federal land assembly funds are being provided to those provinces and municipalities and to those projects which promise a quick start and quick development of lots. We undoubtedly need five to ten and twenty year land banks in this country, but immediately we need public land assemblies that provide lots as soon as possible. I am delighted that using our federal resources either by way of loans or partnership, governments like Ontario, British Columbia and Manitoba are following our lead for "quick start" land assemblies rather than long term land banking.

Hon. members will be gratified to learn that the amendments to the National Housing Act, which they enacted into law last June, have been enthusiastically received by all who share in their implementation and benefits. If 1973 was the year of major amendments to the National Housing Act, I trust 1974 will be seen as the year of complete implementation and utilization of these amendments. If that occurs, if provinces, municipalities, non-profit groups and others who can benefit under the act, fully implement and utilize those amendments, I know that these provisions will make a major contribution to solving our current housing problems.

I have already mentioned the Neighbourhood Improvement Program and the Repairs and Rehabilitation Programs. The Assisted Home Ownership Program has already assisted more than 8,000 low and moderate income families to buy their own homes. And by the end of the year, the benefits of this program will assist as many as 18,000 families to become home owners. We hear a lot about subsidized interest and home purchase plans, and that is exactly what this program is about, reducing to those on low and moderate incomes effective interest rates to 6 per cent. I would hope that hon. members would give that program their complete support and see that people in the income categories provided get the benefit.

An hon. Member: Where do you buy those?

Mr. Basford: I am also determined that the so-called "third force" in housing flourish to the maximum extent possible, that the co-operatives, charitable and the non-profit groups and other organizations build or acquire low and moderate price housing. During 1973, we committed $104 million in preferred rate loans. In addition, $313,000 in grants was paid to these organizations to help them to do research, build their own organizations and plan housing projects.

Mr. Speaker: Order, please. I regret that I have to interrupt the hon. minister but his time has expired. He can continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Woolliams: Mr. Speaker, I should like to give my consent—I do not know whether this is a condition—if he would answer one question at the end of his speech. I would appreciate that and I certainly want to hear him out.

Mr. Basford: Mr. Speaker, I will be happy to do so. I am sorry to go over my time and I did not intend to do so. I thank hon. members for their courtesy in allowing me to go on and I shall conclude quickly.

With regard to the non-profit and co-operative housing groups, in my view they have a piece of legislation that they can take full advantage of, and in that they have my full support and complete encouragement.

I would also like to say something about the work we are doing with the native people, particularly the Métis or non-status Indians. We are maintaining a close relationship with native peoples' housing organizations. This relationship is founded on the principle that native people must be involved in the designing and construction of their own projects.

This consultation accounts for the remarkable achievements of such native housing organizations as KINEW in Winnipeg, CANATIVE in Edmonton and the Saskatchewan and British Columbia Métis housing associations. I have the views of the Métis associations and their national council. I have recently discussed these matters with the more involved provinces and I will be meeting with the Métis and non-status spokesmen tomorrow to further develop programs sensitive to their needs. And while I intend to give priority to this special need, I also intend to outline a national rural housing program to meet the general needs of people outside of our major urban centres.

Some hon. Members: Hear, hear!

Mr. Basford: Our housing programs have been criticized as being oriented to the big cities and towns. We have a rural housing program for the country and we are developing policies to meet that. Mr. Speaker, I want by reference a few cities to show, by example, how we intend to act and how our housing policy can take effect.

In Ottawa, there are 400 acres in Nepean Township in federal hands. We want to put these lands to use as a housing project which will demonstrate new ways of building residential communities. We will explore new forms of housing which make the most economical use of land while providing all of the amenities that families require. Particularly important now, it could demonstrate ways in which new technology may be used to conserve energy and materials. We are creating a development arm within CMHC to carry out the plan. I have met with the

reeve and hope we can lay concrete proposals before him very soon. I hope construction can begin in 1975.

Lastly, Mr. Speaker, hon. members are familiar with our efforts outside Ottawa in what is called the southeast city and the federal and provincial governments' acquisition of some 5,200 acres upon which to develop a wholly new community. I believe that project can demonstrate the usefulness of new communities in the management of urban growth which is essential, and as a means of reducing land costs. This plan presents a practical solution to the long term growth problems of this region. Let me say—in case there is any doubt about it—that it is urgent and critical that it proceed as quickly as good planning and full consultation with all governments will allow. We are ready to do so and CMHC and the NCC have been instructed by me to attach the highest possible priority to these developments and to co-operate fully with Ontario and the regional municipality.

Outside the capital region, the Metro Toronto-Hamilton axis area must obviously be a high priority area. In the last couple of months we have committed some $90 million to $100 million so that land can be brought quickly onto the market. I trust that the announcements made in the Ontario throne speech yesterday reflect this use of federal programs for that purpose. Apart from public land assemblies, private developers can surely be persuaded to put land on the market more quickly, aimed at lower income groups in exchange for speedier developmental approval. I hope that governments will follow that course. I have long urged and pointed out that the National Housing Act supports municipalities engaged in land assembly and I am delighted that Toronto, for one is engaging in public land assembly with our support. The mayor and council have a housing report before them on which I must congratulate them, and a housing program involving the full use of the National Housing Act program including the co-op section, the municipal land assemblies, the non-profit and the rehabilitation grants. In this, the city of Toronto has my complete support and co-operation.

In Vancouver, neither the city nor the province can complain of lack of support from Ottawa for housing programs. Major projects in Burnaby and Vancouver, including False Creek, have been approved with a minimum of red tape in a matter of weeks. Loans involving millions of dollars have been approved literally in a few weeks. In these developments the full range of housing initiatives, which include direct lending land assembly, assisted home ownership and so on under our program will be used. Vancouver and other places have very low vacancy rates. For the coming year, they will be given priority in the allocation of capital funds aimed at increasing these vacancy rates.

● (1530)

I could repeat examples of this in other cities and towns of Canada. My point is that, apart from changes to be made this session, I hope members will do all they can to assure that the housing programs are used in their provinces and municipalities. They are generally well funded. The level of funding is currently being reviewed and the programs can, if used, make a major contribution to solving housing problems. The housing act can respond, and it is responding to the solution of real housing needs in cases where provinces and municipalities are using it.

In addition to these measures and our thrust towards quickstart land assembly, we have been discussing with the provinces changes in the sewage treatment program which, among other things, would provide assistance for trunk sewers for storm water where they are used to create new developments aimed at bringing more serviced lots onto the market.

Another measure I plan to propose will give additional assistance to small towns and places where the per capita cost of sewage works puts an inordinate burden on the taxpayer. This is aimed, again, at bringing more serviced lots onto the market at a faster rate. This legislation is being drafted and will be introduced soon. Many provinces and municipalities have taken full advantage of the sewage treatment loan program. The province of Quebec has not taken much advantage of this program; recently, however, the government of the province announced a major thrust in this area. I have already indicated my agreement for allocating $80 million of federal funding to the province of Quebec, for the 1974 program entered into for this purpose.

There are other aspects of the federal government's urban affairs activities and housing programs which I should like to discuss, but I am already trespassing on the time of the House. Undoubtedly, the forthcoming budget debate, the rest of this debate and consideration of estimates in committee will afford opportunities for going into these things. I had wanted, in my speech, to deal with other matters, but there will be other occasions when these can be discussed. In the time available to me today I thought hon. members would be encouraged to hear a brief report on the enthusiastic response to our new housing programs, our urban transportation plans and the very substantial progress which these programs have made and can make towards the goal of providing all Canadians with sound, safe and satisfying accommodation in a pleasant and protective neighbourhood environment.

Mr. Woolliams: Mr. Speaker, will the minister permit a question? I appreciate the indulgence of the House in permitting me to ask it. The minister talked about serviced lots and stressed the effects of the land banking program, on which $100 million a year is to be spent. May I ask how much out of that $100 million has been granted this past year. I understand that only $9 million has gone to Toronto which, considering the extraordinarily high price of lots in Toronto, is not very much. How much of that $100 million has been allocated to our major cities?

Mr. Basford: Mr. Speaker, I do not have the breakdown city by city on my desk. As indicated in my speech we had indicated last year that we would commit at least $100 million for land assembly. I indicated in my speech that, by the end of 1973, we had already committed $150 million for land assembly. I pointed out that, in addition, we must consider the cost of servicing the land assembled. That cost is included in the sewer loan support program and amounted to some $250 million. The $9 million was a direct loan to the city of Toronto only. Loans for all Ontario, many of which were made with regard to land around the

Toronto and Hamilton area, amounted to about $73 million.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, this afternoon I want to talk about the apparent direction of the government's agricultural policy as seen by ordinary farmers and make some references to the Speech from the Throne. It is couched in generalities, which is why, I suppose, most members in their speeches have not referred to it directly.

In the last several years the members of this House have seen some swings in agricultural policy. I listened to the Minister of Agriculture (Mr. Whelan) speaking the other day, to try to learn if there was to be any clearcut policy or direction with regard to farm policy for Canada.

In the last few years we have seen several farm oriented programs, such as LIFT, under which farmers were asked not to grow too much wheat. The government said to them, "Do not grow so much barley; lay off rapeseed; actually, if you take one year's holiday and get lost we will all be better off." Fortunately, the farmers did not take the government too seriously, but we are still recovering from the effects of such programs.

It is fair to say that the farm programs the present administration has offered to this country have been lacking in consistency. I will only mention one or two of them. The proposal for stabilizing farm incomes which surfaced in the previous session is again evident in the Speech from the Throne. If the idea of stabilization means anything, I suggest it means that the income of farmers will be stablized, at a profitable level, that the performance of agriculture will be satisfactory, and that there will be a consistent pattern in the field of agriculture, and farm income. At the same time, however, we must bear in mind proposals such as those made by the minister for the Canadian Wheat Board, under which he would remove jurisdiction with regard to the sale of barley and oats from the Canadian Wheat Board as of Aug. 1, 1974 and allow these commodities to be traded on the open market, on the commodities exchange.

Mr. Benjamin: Over our dead bodies.

Mr. Gleave: I can think of few ways which are more effective in bringing about swings and variations in price than trading commodities on the open market through a commodities exchange, as is done in Winnipeg, Chicago, London, Paris and elsewhere. Nobody claims, I think, that such a scheme would contribute to stable commodity prices. Whatever claims are made for commodity exchanges, stability is not one of them. So I must say, on this one score alone, that I remain to be convinced about the consistency of the government's policies.

● (1540)

One may go on from there to take a look at the manner in which beef has been marketed in the past several months. In the last day or so, some of those representing the beef industry had discussions with the Minister of Agriculture (Mr. Whelan) with regard to the circumstances in which the beef feeders, those who make a living from feeding or fattening beef, find themselves. This particular commodity has all the advantages available to it of a futures market or cash auction market.

At one point during the past few months, the government placed an embargo on Canadian fat cattle moving to the United States. Nothing could have been more calculated to throw the market into confusion. It threw the beef price structure and marketing in western Canada, Ontario and eastern Canada into confusion. An embargo was slapped on over the weekend, leaving the farmers to find out how, where and at what price they could market their beef. I do not know if a more disastrous thing could have happened to the beef market.

After the farmers recovered somewhat from that, a surcharge was put on U.S. beef coming into the Canadian market. That lasted for a while. I am sure the minister and the government received a great number of complaints. They realized it was not a good idea and decided to phase it out somewhere around February 15. That is fine, but it does not contribute to stability.

What is going to happen at this time, we do not know. We will have to wait and see. For the sake of the industry, I hope the minister will announce the government's beef production policy within the next day or two so that these men who are raising beef, feeding them at great expense and running cow-calf operations may know what to expect. Let's have some stable policy.

When the Minister of Agriculture was in Swift Current, Saskatchewan on February 18, he addressed the chamber of commerce. That is a good place to talk to people in the livestock business. I noticed he went out of his way to say the Saskatchewan government had imposed a marketing board for pork, even though producers said they did not want it. If the federal government is in favour of a stable marketing policy, why does the Minister of Agriculture object to a hog marketing board operating in the province of Saskatchewan? Why does the minister object to the manner in which it was established? The government of Saskatchewan did not break its own laws.

I happen to know something about the marketing board act. I am damn sure the minister does, too. The province of Saskatchewan was altogether within its rights. Saskatchewan is the only place in Canada where the farmers are guaranteed 57 cents a pound or $57 a hundred for their hogs. One would have expected the minister to say he fully supported the action of that province in stabilizing an important part of the livestock industry.

Some hon. Members: Hear, hear!

Mr. Gleave: The minister said he is a strong supporter of marketing boards. He means, provided they do not operate.

Some hon. Members: Hear, hear!

Mr. Gleave: The other great conciliator on the government side is the minister in charge of the Canadian Wheat Board. His contribution to stabilization is removing feed grains from the operations of the wheat board and putting them on the open market. That minister will go down in history as one of the greatest non-conciliators to hit the grain industry of Saskatchewan for a long, long time.

Some hon. Members: Hear, hear!

Mr. Gleave: Because everyone did not agree with him, the minister accused the Saskatchewan representatives of walking out of the meeting. In a press release he said they can walk out and stay out; he will talk directly to the farmers and their organizations. Well, any federal minister who does not know that the minister of agriculture in Saskatchewan represents the farmers in Saskatchewan has something to learn. One need only look at the support his party received in the last election. If you do not believe that, listen to the farmers who are raising hogs in Saskatchewan.

The minister said the meeting was called to fully inform provincial agricultural officials about the details of the feed grains marketing plan for 1973-74 and to seek their co-operation in making it work. He then said they walked out of the meeting in a huff. The minister then referred to Manitoba. He said that he was saddened by the performance of Mr. Uskiw, the minister of agriculture for Manitoba. Everybody is out of step but Aunt Nellie's Joe.

Some hon. Members: Hear, hear!

Mr. Gleave: The minister said on one hand he was saddened by Mr. Uskiw's performance, but on the other hand he was more determined than ever. He said he was saddened because the kind of political nonsense displayed by Mr. Uskiw and Mr. McArthur can only hurt the cause of prairie farmers. I say most sincerely to the minister responsible for the Canadian Wheat Board that is not the most effective way to gain the confidence of the people in western Canada.

A review of freight rates was asked for at the Western Economic Conference. I do not suppose much has yet been done. Our transportation system is a real disaster when it comes to moving grain. I forecast that because of our transportation system, we will not have the ability to move all the grain for export this year that we could have marketed. The *Western Producer* reports that a string of 25 carloads of grain which had been sitting at Perdue since January 7 was finally picked up only a few days ago. The President of the National Farmers Union said the CPR cleared the Rosetown-Biggar line of cars on January 7, then abandoned it to the wind and snow, thus leaving it plugged and stranding any grain in elevators on the line. That is typical.

● (1550)

If I had time I could give instances of similar neglect throughout western Canada. Perhaps things are better in Eastern Canada. All this will cost us a great deal in terms of income, and I see no sign that conditions will improve. The minister has told us that more hopper cars will be provided. But the cars we already have are sitting empty. The railroads have simply failed to supply sufficient motive power. The minister responsible for the Wheat Board says he has met with representatives of the railroads and that they would not give him a commitment. Mr. Speaker, we own one of these railroads; the other is privately owned. Is the government so weak, so incompetent that it cannot extract a commitment as to what will be done?

An hon. Member: The Tories own the CPR and they wont sell it.

[Mr. Gleave.]

Mr. Gleave: I cannot see why we should buy it. It was given to the company in the first place and it has done nothing ever since except milk the public for everything it can get.

I turn, now, to another subject. To whose advantage will it be when the government finally gets feed grain on the open market? One of the sad things about this policy is that nobody will benefit except the traders in Winnipeg. The farmers in Quebec will find themselves at the mercy of the grain traders, at the mercy of the scalpers, with nobody standing in between. I have nothing but derision for the minister responsible for the Wheat Board and for the Minister of Agriculture (Mr. Whelan), if it comes, to that, when they say the Wheat Board will be charged with responsibility for seeing that the grain is in position after the commodity market is in charge of the buying and selling. Those two marketing arrangements are like fire and water; they just don't mix. How can there be a futures market which permits any corporation to purchase any amount of grain it wishes, and which is available for future trading, while at the same time it is someone else's responsible to deliver the grain which has been bought? The consequences of this policy will be an uneven flow of grain, whereas formerly there was even controlled flow. The Wheat Board cannot be made responsible for the delivery of grain which someone else owns.

One of the most rewarding discussions I heard last session took place in the Standing Committee on Agriculture. Mr. Gibbings was appearing before the committee. One of the members from the maritimes said New Brunswick farmers were running short of feed grain. He asked the Wheat Board representative where the grain was, and was told it was in Thunder Bay. "Could I buy it?" the hon. member from the maritimes asked. The representative of the Wheat Board answered: "That depends upon who owns it". Of course, it does. That is the sort of situation we shall face after August 1.

I wish to say something, now, about the dairy industry. I wonder whether in the not-too-distant future the minister will be able to announce a policy enabling us to produce all the butter and the cheese we need. I notice a recent statement from Manitoba to the effect that the province is no longer able to produce all the butter it needs. I suspect the position is not much different in Saskatchewan. What incentives will be offered to encourage people to produce the butterfat and the butter we need, as well as all the other dairy products the nation requires. In at least one province powdered milk is being reconstituted so as to meet the demand for fluid milk. It is all very well for the minister to say that milking cows is a 365 days-a-year job. it is all very well for him to say we are now entering an era in which it is more difficult to keep people in the dairy industry. But it was the policies and actions of the Canadian Dairy Commission which forced or persuaded many small farmers to get out of the dairy business. They did get out, and the minister knows it will not be easy to bring them back. He says, and I use his words, that we shall have to re-arrange the dairy industry. Why did he not tell us what he or the government propose to do by way of re-arranging the dairy industry?

One of the most interesting meetings I attended during the last election took place in a little town in my constit-

uency. I happened to drive into the town at a time when a meeting of those interested in the dairy industry was being held. The town used to be a dairy production centre of some consequence. The meeting was attended by agricultural representatives as well as by officials from the senior levels of government. A discussion took place about the best way of persuading farmers to get back into the business of producing manufacturing milk, setting up tanks, transportation and so on. I listened to the discussion and listening, too, at the back of the hall, were women and men who had been milking cows only a few years earlier until they lost their quotas and their right to a subsidy was removed. I heard someone interject that this is not the case. But I read the letters and I listened to their complaints when all this took place. It will obviously be difficult, now, to get these people to go back. I say to the minister he had better take a hard look at the operations of some of the big monopolies and combines which are now engaged in this industry. In my opinion they are carrying too much clout and swinging too big a club, along with some monopolies in other lines of business as well.

● (1600)

The minister mentioned sugar in his speech and the fact that we have not done too well in supporting the sugar industry in underdeveloped countries, as was mentioned by the mover of the Address in Reply to the Speech from the Throne. He is right. We have not done very well in supporting the underdeveloped countries; indeed, we have done very badly. We should be supporting a sugar agreement and giving some support to countries in the Caribbean which need it, which have needed it in the past and will need it again. By doing this, we would also benefit our own consumers.

Mr. Whelan: You remind me of Morty Shulman who said that if you want to buy sugar you should buy it cheap from the Caribbean. That is his attitude—don't pay any attention to slave labour. That remark is right in Ontario *Hansard*.

Mr. Gleave: I do not know what Morty Shulman said, but I do know what I am saying. What I am saying is that we ought to be party to an international commodity agreement to buy and sell sugar, but we are not. The reason we are not is that it does not suit the big sugar combines in Canada, the three big companies which dominate the sugar industry in this country.

Mr. Whelan: There is no international sugar agreement now between any countries.

Mr. Gleave: Are we, as a nation, a signatory or an observer?

Mr. Whelan: We sit in on the negotiations.

Mr. Gleave: We sit in and we might as well sit out for all the good it is doing.

Mr. Whelan: There is no agreement at the present time.

Mr. Gleave: We are helping neither the disadvantaged people in the world nor the Canadian consumer. We can buy sugar in Regina cheaper from a company in Denver, Colorado than we can buy sugar from an Alberta company, and I can quote the figures if the minister wishes. This is the kind of food system we have in this country. It is about time we had a policy that benefitted both the consumer and the producer, and this is possible of achievement. But it is not possible through the Winnipeg Grain Exchange. It is not possible through the sugar combines that exist in Canada and which are presently under investigation. It is not possible with a 20 per cent increase in the cost of production faced by farmers in one year. Both fertilizers and machinery have risen in price.

Dealers in farm machinery in my constituency tell me that they cannot get an adequate supply of machines to run farms, and farming is a mechanized industry today. Neither can farmers in my constituency get a firm price for fertilizer at this point in time. I wrote the minister on February 11 asking him specifically what assurances he had been able to get from the fertilizer companies as to price and as to supply, and I have not yet had a reply.

I do not know whether the minister does not know the facts, or whether the facts are so horrible that he does not want to put them down on paper and admit to them. An hon. member to my right yesterday, I think it was, asked some questions about baling twine and did not receive a very good answer from the minister, who said we were short of sisal. We manufacture twine in this country out of material other than sisal. We also manufacture synthetic twine.

In this regard a pattern seems to be establishing itself. Things we need become in short supply; there does not seem to be any around. The next thing we know, the price moves up substantially. This pattern is becoming so commonplace that we really come to expect it. In the United States, the heads of the big oil companies were called before the responsible Congressional committee and charged with following the practice of creating a scarcity, then jacking up prices.

We would feel a lot better if we had some assurance from the minister that something really effective was being done to keep prices down. We have had no such assurance in regard to farm machinery, farm machinery repairs, fertilizers, and many other commodities that have increased costs for farmers. Neither do we have the assurance from the bakeries that the price of bread is not going to increase. The government subsidizes wheat for domestic use and we as farmers subsidize it also, yet the bakeries jack up the price of the bread and walk off with the profit. What a charade! What a joke! This is Liberalism at its best.

Mr. Deputy Speaker: Order. I regret interrupting the hon. member but the time allotted to him by the Standing Orders has expired. He might, however, continue if there is unanimous consent.

Some hon. Members: Continue.

Mr. Gleave: Thank you, Mr. Speaker. I think I have made the most of the points that I wanted to make, but there is one further matter that I wanted to bring to the attention of the minister. I refer to the outbreak of brucellosis, which is a pretty serious matter. I thought the minister was most unfair when he was asked a question by the hon. member for Grenville-Carleton (Mr. Baker)

about this outbreak in his area. As a matter of fact the minister replied: "You guys better quit talking about it or else it's going to affect our sales".

I am very much concerned if that is the attitude of the minister, because we face a very serious situation as a result of this contagious abortion in livestock, or brucellosis, as it is known. It is proving very expensive to farmers. I do not think you can pay sufficient compensation to a farmer who has a good dairy herd wiped out by brucellosis; you just could not put up enough money. The same is true of a good beef herd. I would have been happier if, in response to that question, the minister had said he was carefully examining the department's procedures with a view to finding the most effective method of eliminating this disease, or else that new procedures were already in place. In my own area the farmers are greatly concerned about this question.

One last matter before closing, Mr. Speaker. In the absence of the minister to whom the Wheat Board is responsible, I should like to ask the Minister of Agriculture whether the Wheat Board would some day tell the House what its policy is toward working out a new international wheat agreement. Has the Wheat Board any plans to work out a new commodity agreement, and can it get the co-operation of the European Common Market countries, or Australia, Argentina and the United States, the principal signatories of the last one? Are they actively exploring the possibility? At some time I should like them to tell us if they are exploring the possibility of an agreement on sugar and other international commodities.

● (1610)

If we are to hope for or expect a stable return to farmers, there are two or three major things which must be done, as the minister knows. We must seek international commodity agreements. That is one thing. The other is that we must seek and encourage machinery throughout this nation that will give us stable prices and stable bargaining power for the farmer. That is the second thing we must have if we are to achieve the objective which the government has set. Frankly, I say to the minister, so far as this party is concerned, we will be judging the legislation which comes in not only by what it provides but by what it leaves out. I can assure you, Mr. Speaker, that if there is stability of prices and income for the farmer as well as giving a fair break to the consumer, we will look at that.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, our tradition is such that in the debate on the Address in reply to the Speech from the Throne, a member of Parliament is expected to pay tribute to His Excellency the Governor General, to the right hon. Prime Minister, to the Leader of the Official Opposition, to the Speaker of the House, to the mover and seconder of the Address in reply. Therefore, all these distinguished gentlemen may be assured of my most sincere regard, and I congratulate them for the work they have achieved in their respective function. I do not know any better way of giving them a proof of my solidarity than by anticipating their wishes and proceeding right now to the analysis of the outline of this government intentions that is called the Speech from the Throne.

[Mr. Gleave.]

I do not consider the official opposition's role as being the incense bearer of the government, praising it for its good deeds if any, sympathizing with its problems, excusing its weaknesses as if they were unavoidable. On the contrary, the opposition's role is to induce the government to do better when they only do well, and to condemn them when they do not properly fulfill the responsibilities that are bestowed upon them. Democracy is the better for it.

Mr. Speaker, the Speech from the Throne leads us to ask ourselves questions, first on our real chances of success in the short and long term as regards the fight against inflation then on the suitability of the federal approach to urban problems, in the field of transportation or in other areas. In both cases, the very approach of the present Liberal government is controversial and debatable. Before explaining why and how, I would like to emphasize right away that the Speech from the Throne completely fails to mention the international policy of this government. Must we believe, Mr. Speaker, that rumours relating to the early resignation of the Secretary of State for External Affairs (Mr. Sharp), which have circulated for sometime, were or still are justified to the extent that he was unable to draft a few relevant sentences that could have given evidence of a new breath of the present government in foreign affairs? Who knows? It is strangely silent. One thing is sure, within roughly ten days at the most my party in keeping with the work it undertook to be better prepare to govern this country when the time comes will publish a work paper to make known to all both its orientation and its commitments with respect to foreign affairs. As many others that document will be submitted to our members for consideration and approval at our forthcoming national convention to be held in Ottawa on March 17, 18 and 19.

I further point out, Mr. Speaker, the remarkable discretion of the Speech from the Throne on the serious problem of regional disparity. I find but one sentence and even then a very short and most evasive sentence, and I quote:

● (1620)

The government attaches great importance to regional development.

And that is all. The need is barely felt to say that measures will be introduced to deal with transportation, freight rates and port facilities. Nothing is said about the need for an industrial strategy, an economic development strategy underlying the entire concept. Once again we have empty promises with respect to regional economic expansion.

The hon. member for Sherbrooke (Mr. Pelletier) could speak at length on the expectations and disappointments of the people in his area and if necessary he could read to the Minister of Regional Economic Expansion (Mr. Jamieson) headlines on this subject published in *La Tribune*, a daily newspaper in the Quebec Eastern Townships.

Other areas in Quebec are growing impatient because this government is dragging its feet. The northwestern part represented by the hon. member for Témiscamingue (Mr. Caouette) who, we are glad to see, is back among us today would even have more to say on this subject. Also in the same situation we find the Saguenay, Lake St. John and St. Muarice areas, where the working papers on regional development are more numerous than viable projects and where people are fed up with false hopes raised

in the Kruger manner; the Laurentians, where Mirabel is being built in spite of delays, makeshifts, if not injustices, when one considers the fate of expropriated individuals on behalf of whom I am requesting once again the setting up of a parliamentary committee; the North Shore that refuses to be merely an economic appendage of the United States; the Lower St. Lawrence and the Gaspé Peninsula, where because of the failure in Cabano of a proposed community cardboard factory, the people are desperate and where the fishermen, according to the members for Matane and Gaspé (Messrs. De Bané and Cyr), are tired of being neglected; in the Bois-Franc area as elsewhere, bankruptcies have shown that the government economic growth policy is in no way based on a strategy of industrial and economic development; the Quebec area, where at times patronage and expedience have outweighed wisdom and long-term prospects and where, for example, Lauzon is still awaiting the government's decision about a merchant marine. This derides the Parliamentary Secretary to the Minister of Finance (Mr. Comtois), but it does not amuse neither the people of Lauzon nor the unemployed workers; the greater Montreal area, where projects as tremendous as Mirabel or 1976 Olympics should not make us forget on the one hand the shocking and early disposition of farm lands in the area, and on the other, the pressing need, both for the people in greater Montreal and throughout Quebec, to see Montreal launched on a viable and sustained economic recovery likely to create permanent jobs; the Outaouais region nearby, which ought to be something more than merely across the river from Ottawa and which must not be taken away from Quebec heritage, culturally, socially and economically. Those Mr. Speaker, are the areas, where the citizens are living in the expectation of better days to come without uprooting themselves from their environment, days which would be planned right now in closer cooperation with the Quebec government.

In my own riding of Saint-Hyacinthe, several businessmen or contractors complain to me about the difficulties they meet with when trying to expand, to enlarge or improve their plant while some industries threaten to leave as did recently Crane Society Ltd., in Marieville. We are sick and tired of the same short sighted program, sick and tired of those piece meal loans without any planning. And failing recognition as a special area which I requested last year and for the reasons I gave at that time, Saint-Hyacinthe wants to know quickly and squarely what industries will the government encourage in the area. For instance we want to know when they will take concrete measures to establish an agricultural food industry in the riding of Saint-Hyacinthe. Those are the regions, the ridings in Quebec where the Liberals in the next election campaign will have to explain the silence of the Speech from the Throne concerning regional economic expansion.

In Quebec, we will force them to speak about regional economic expansion and unemployment because we have 250,000 unemployed in Quebec. Nearly 10 per cent of the labour force in Quebec is idle and the future is not very promising. We will force them also to talk in concrete and clear terms about the 9.3 per cent rise of the cost of living during the last 12 months. In the food sector alone, which is vital, there was a rise of 18.2 per cent during those last 12 months. Unfortunately, that is not the end of it.

Let the Liberals come to Saint-Hyacinthe to Brome-Missisquoi, to Joliette, whose distinguished representative has come back among us and who is certainly destined to assume great responsibilities in our team. Let them come to one of these constituencies or to any other.

An hon. Member: They already did.

Mr. Wagner: They came and we saw the result. Let them come to our constituencies during the next election campaign and apologize to the people for their inertia before inflation and let them say that the main reason for the problem is the international inflationary spiral.

[*English*]

There is quite a difference between a government's constitutional right to govern and its moral right to seek the confidence of the people. I doubt very much whether this government understands that difference or, even worse, cares about it. As long as the Liberal-NDP charade continues, as long as the pressures of big corporations and big unions frustrate both members of the coalition from acting on prices, wages and profits, this daily erosion of our system's credibility will be massive, and rightly so. No wonder people are losing faith. Gentlemen on the other side should not wonder why the young are cynical and the aged are bitter. We have no government.

Ministers are racing around the country eradicating what confidence might still remain out there. The Minister of Finance (Mr. Turner) is keeping a low profile for reasons that friends of the heir apparent know too well. The Secretary of State for External Affairs (Mr. Sharp) leaves hints that he might like a switch of task, or something even more restful, and the consensus of Eglington, from what I gathered on my last visit there, is that he will soon have what his heart desires. The Minister of Consumer and Corporate Affairs (Mr. Gray) snatches insincereties from the jaws of truth whenever he rises to answer a question. The Minister of National Health and Welfare (Mr. Lalonde) talks about football while inflation attacks the rights of Canadians to decent nutrition. The Minister of Supply and Services (Mr. Goyer) is out trying to sell what the Minister of Energy, Mines and Resources (Mr. Macdonald) is trying to buy back. The Minister of Manpower and Immigration (Mr. Andras) wants to investigate in private what is going awry very seriously in public, and the President of the Treasury Board (Mr. Drury) says: Spend, spend, spend a little more. What is $3 billion and some, asks he. As the Minister of External Affairs would say, that is the Liberal way.

They remind me of a company on the verge of bankruptcy, unafraid to amass as many creditors as possible. It would be funny if it were not so sad. The creditors are the Canadian people. The government is piling up massive debt, debt that in terms of eroded confidence, mistrust, cynicism and despair may carry with it a rate of interest our nation is unable to pay. Politics, if they are to have any meaning today, must be synonymous with honesty, integrity, and responsive government. Members of the NDP used to care about this. Indeed, they used to be the purists about our system and its accountability. In all sincerity I ask my colleagues to the left: where is this purism now?

● (1630)

Mr. Alexander: And where are they?

Mr. Wagner: There isn't one member of the NDP in the House at this moment. The purism is gone, and the members are gone. They only reappear when they have to give a vote to save the government and keep the government in power.

Some hon. Members: Hear, hear!

Mr. Wagner: Where is the decency and the implicit humanity of Mr. Tommy Douglas' new Jerusalem? What, if anything, I ask them, have you said you cannot suffer as social democrats from this government? I have to wonder. I have to wonder about the young people attached to all the political parties, in the schools, and across the young work force. What are they to learn from this parliament? What are they to learn from this government? So far, they have learned that no Conservative policy is too repugnant for the Liberals to steal, no socialist principle is too sacred to be sold, and no Liberal policy is so solid as to stand on its own merits.

As a famous Liberal was wont to end his speeches—I am sure hon. members across the aisle have often heard this—he would end by saying, "Gentlemen, these are our principles—and if you don't like them, we have others". I wonder, Mr. Speaker, if that is the type of game we want to play with social justice in Canada. I wonder if we have the right to play that game with our nation's fiscal and economic policies.

Beyond this chamber, beyond the pundits and the trained observers in the Press Gallery, there are 22 million Canadians who, for the most part, are partisans of no political party. They are partisans of this institution we call democracy. They are poll workers in their everyday jobs, if you like, for the concept which we call Canada. They believe that this concept means more than politics. They believe it means justice, equity, unity and direction, and when we play with this concept we are playing with the faith and trust of those who make this country live and grow and prosper.

Some hon. Members: Hear, hear!

Mr. Wagner: When we attack their faith, undermine their hope, limit their fair share, we are attacking this nation's future. I would think that no member of this House would want to be a party to that.

[*Translation*]

Mr. Speaker, in addition to refusing to speak on many important issues, the present government, is at fault in its very orientation. While the government seems winded, without either imagination or daring on the international level, the same holds true on the domestic scene.

Inflation and the record of the relations between Ottawa and the provincial governments—particularly Quebec's—give ample proof of this fact. This country no longer needs intellectuals who are either bored or weakened by power, a power which they are gradually losing; this country needs qualified administrators who are capable of innovation.

[Mr. Wagner.]

Mr. Speaker, it is not true that we have to submit to the increasing inflation—any pressures and it is no longer true that the Quebecers' only real choice of a government is the Liberal party.

For instance, the cost of single-family dwellings built for the average wage earner went from $22,500 in October 1973 to $28,600 in February 1974. This happened at Laval, on the south shore of Montreal and elsewhere. It is not true that this is solely the result of international inflation.

When the owners or managers of well-known grocery stores have reached the point where, to operate according to the good old principle "the most for the least", they keep their employees regularly for two and one-half days every week, and week after week, only to mark up food stuff, it is not true that this is the result solely of the international inflation.

When some of those same merchants, these are facts, Mr. Speaker, and this happened in Montreal early this week, increase by one cent or more the price of some 400 different articles, it is not true that this is the result solely of the international inflation. When the large chain stores such as Loblaw's, Dominion Stores Ltd., Steinberg, Provigo, Becker Milk and Harvey's Food, as well as several others manage to increase their profits from 1971 to 1972 respectively by 43.2, 188.2, 58.2, 29.4, 63, 646.5 and 78.9 per cent, and when we know that those same stores and others made even higher profits in 1972 and 1973, it is not automatically true that this is simply the result of international inflation.

● (1640)

When businessmen, the "big shots" especially, build up stocks like never before, whether it consist of heating fuel or mostly food products, in such quantities that they have to rent additional storage space to better plan their spiralling profits, it is not true that the only influence is that of international inflationary pressures. The hon. member for Laval (Mr. Roy) and many others should try to find a single unoccupied storeroom in good condition in Montreal at the present time!

Mr. Speaker, the cost of living, especially as concerns food products, is increasing at a scandalous rate.

The poorest among our fellow citizens, and even those whom we say belong to the middle class, all the wage earners who—and I was happy to hear the prime minister himself say it—are not responsible for the present increase in the cost of living, want us to control inflation.

In my constituency of Saint-Hyacinthe as elsewhere in Canada, the government is expected to take immediate, strict, firm and energetic action tackling at short term both with the present effects of inflation and its causes at least its Canadian causes.

The present inertia of this government which, in the short term at least, is forsaking the consumer threatened by inflation, is already appearing as the basic cause of its impending defeat and proves to be, which is more serious, an accomplice of the worst injustice.

This government has in fact surrendered to inflation. Public opinion exacerbated by the "big one" annihilating the "small one" should compel this government to resign

and give way to a serious team ready to administer the country.

If the farm producer, his problems and his needs are finally better understood, so much the better, and with my constituents of Saint-Hyacinthe, I am the first to rejoice about it. But... beware, I want to enter the following caveat: If it is high time and commendable that politics serve the farmer a little better, let no one use the farmer to play politics, as has been the case far too long in Quebec politics.

Our farmers are also, and first of all, first class citizens and in this capacity also, they consume a great deal of products. On the farm itself, they know what their raw materials cost—always more. If they want more assistance, and rightly so, they do not want and do not accept, as several of them told me recently in my riding, to be used as short term "surety" by a government that has become helpless in the face of inflation.

On another level, Mr. Speaker, the Liberal government has got us used to a strategy of clashes that provincial governments, including the Quebec government, and Canadians as a whole cannot put up with any longer. Measures to initiate a food production or urban transportation policy must not once more bring about a deterioration of federal-provincial relations here, must not either be brought to a term without any previous serious consultation to such an extent as to create new crises that almost invariably the present central government uses in order to appropriate jurisdictions which are not devolved to it.

We can rightly fear the worst here, especially when one reads in the speech, and I quote:

The Government will wish to consult with provincial governments—

—How cynical! What a return to the former arrogance which has already been decried, judged and condemned in October 1972.

Mr. Speaker, I conclude my remarks, because I see that you are making signs to me and because I hear my friends opposite say that my time has elapsed. I know that they have had just enough of it and that their conscience is bothering them. Duly so, and they will have a hard time trying to explain to the Quebec people the failure of the government. I conclude, therefore, by saying that this government, lacking in leadership, increasingly less recognized and accepted as a true, reliable and honest interlocutor by a number of provincial governments, less and less accepted as a conciliatory agent by an increasing number of Canadians, should retire from the bargaining table and turn over the direction of this country to a Progressive Conservative team, ready to take over, as a responsible alternative, and to a leader whose patience, persistence, determination, will and competence are more and more appreciated by the Canadian public as a whole and especially—a very encouraging and revealing sign—by Quebecers themselves.

Mr. Raynald Guay (Lévis): Mr. Speaker, I would like to make a few comments regarding some aspects of our economy which is of interest to me as Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Gillespie) and as a member for Lévis.

As hon. members know one of the main objectives of the Department of Industry, Trade and Commerce is to ensure the adequate and constant development of production as well as of trade in Canadian goods and services by creating, for instance, a proper national and international setting, by encouraging production of new goods and services and the introduction of new production techniques conforming to the requirements of a developing market, by improving the use of resources and by seeking to increase the necessary outlets for our economy.

True to its objectives, the Department of Industry, Trade and Commerce was deeply involved in the creation by the government of the Industrial Development Bank and the Development Agency for Small Business of which the Industrial Development Bank is the spine and the heart. Through this organization, the government is more than ever in a position to encourage small business activity in Canada, which are so essential to our economy. It often is the most effective means of producing goods and services which can meet the specific needs of Canada and it has the flexibility to cope with the production and local distribution requirements of the various regions of this country.

I would point out, Mr. Speaker, to the hon. member for Saint-Hyacinthe (Mr. Wagner) who has just concluded his speech, that these are positive measures taken by this government to help small and medium enterprises in the province as in all other provinces of our country.

An independent organization, the IBDA offers small and medium enterprises a highly diversified assistance, acts as local information centre for all government programs and services available to small enterprises, and it supplies the required information on the availability of private sources of financing, and even providing the financing in case of need. It assumes the practical responsibility for the advisory and administrative services to small business, including the CASE consulting program; the main responsibility for the development and management of the federal administration training programs for small businesses, keeps an up to date list of the various assistance programs offered by the government and the private sector; it cooperates closely with the federal and provincial departments and agencies as well as with the private institutions.

The wellbeing of our economy in the years ahead will depend on it. In brief, the IBDA plays an absolutely essential role with the small businesses on which it depends to a large extent.

● (1650)

As regards the textile industry, Mr. Speaker, small business—and I think this is closely related to the riding of the hon. member for Saint-Hyacinthe which contains several textile firms—in its multiple aspects is of vital importance to this country.

Despite a manpower shortage and the problems it is facing today to get supplies of natural and synthetic fibers, the Canadian textile industry usually maintains its operations at the high level that was observed during 1973 when substantial increases in sales and profits were recorded.

Department of Industry, Trade and Commerce officials have done their best to help this industry get supplies of petrochemical products and it is expected that this spring

the situation will improve a little in this area. The petrochemical product shortage is now felt on a worldwide basis, but I am pleased to see that Canadian producers enjoy a very favourable position as compared with most of their foreign competitors.

The Canadian capacity to produce synthetic fibres is now expanding, particularly in acrylics, nylon and polyesters. You know that Du Pont of Canada Limited announced that it plans to build a $40 million polyester plant in Coteau-du-Lac, in the province of Quebec, with production slated for 1976. Therefore, I think that the outlook for our textile industry is promising and I am pleased about it.

Mr. Speaker, our shipyards are an example of the prosperity of the Canadian industry, encouraged by government measures. Despite a shortage of steel and delays in the delivery of diesel engines, our shipyards are now operating at full capacity. Shipyards throughout Canada, and particularly in Lauzon, still benefit from STAP, the Shipbuilding Temporary Assistance Program of the Department of Industry, Trade, and Commerce which has been extended. This program implemented on November 27, 1970, provides grants to the builders of ships which will be registered in foreign countries. The maximum grant is 17 per cent of the certified cost of the ship, with restrictions relating to the Canadian content and the minimum size of ships. The extension of this program will make it possible to pay subsidies for ships completed before October 31, 1978 and ordered before March 31, 1975. This Canadian industry thus contributes to the overall prosperity of our country and is a good example of Canadian technology competing with that of big industrialized countries.

It is well known that this matter is of special interest to me, since there is a very important shipyard in my riding of Lévis. The level of employment in Quebec shipyards is relatively high at present and it seems this situation will last until 1976. We are very happy about it. This high level of employment is due to contracts secured thanks to STAP adopted by the Canadian government in 1971. However, we are concerned about what will happen to employment after 1976 and about the long term future of that industry because studies now being made in various quarters seem to be unanimous in their fear of an overcapacity to produce in the years prior to 1980. That is why we believe that foresight is necessary on the part of the government in this area and a long term policy must immediatly be set up.

The hon. member for Saint-Hyacinthe is nodding his head and I am glad about it but I find it completely abnormal coming from that hon. member. Newspapermen in the press gallery might say that I am criticizing this government. No. On this side of the House we want to be positive, we want to build and the hon. member for Saint-Hyacinthe who just concluded his speech said nothing worthwhile, Mr. Speaker. All he was able to say was that there are unemployed workers in Lauzon. If anyone knows, I do, and I studied the causes of it. We looked at those causes, we made studies and we drew conclusions and that is why on this side of the House, even if I sit on the government side, I can speak in Ottawa and especially in the province of Quebec.

[Mr. Guay (Lévis).]

Steps must immediately be taken to allow the shipbuilding industry in Canada to take its place in the field of international competition so Canada will be recognized as a shipbuilding country. The international situation with respect to shipbuilding is now characterized by six major factors—production costs of Japanese shipbuilding yards; the threat of overproduction hanging over shipbuilding yards throughout the world; financial, administrative and technological changes taking place in European shipbuilding yards; the prospects of the freight market and maritime construction; flags of convenience and competition among different national flags and, finally, the U.S. maritime construction and navigation program.

It is here also that the merchant marine problem merges with the shipyard issue. As a matter of fact, the establishment of a merchant marine would contribute to stabilizing employment in the shipbuilding industry. Let Canada put an end to the agreements concerning the merchant marine which favour ships registered within the Commonwealth and allow them to operate in the Atlantic area. The Canadian government should also make sure that the Arctic waters are national waters that should come under the national coastal trade. The Canadian government should also provide for at least a 50 per cent Canadian content in our international maritime exchanges with the United States and the rest of the world.

Lastly, as I have often mentioned in this House, let the Canadian government limit registration of merchant ships flying the Canadian flag to those built in our national shipyards. We could also establish a shipbuilding research centre whose cost would be shared by concerns and various levels of government, and create an organization to provide communications and facilitate exchanges between governments, ship owners and shipyards.

Mr. Speaker, I am happy to see that the hon. member for Saint-Hyacinthe agrees with me. And I still find it strange that the hon. member for Saint-Hyacinthe should have devoted 90 per cent of his remarks to repeat the contents of the speech and to conclude that it did not mean anything. But I say there is something in the Speech from the Throne. I fully endorse the entire Speech from the Throne, but I can be positive and make suggestions to the government. That is what I would have liked to hear from the hon. member for Saint-Hyacinthe but that is not what he said. Mr. Speaker, I have heard 22 speeches from Progressive Conservative members and I have not found anything positive in them. We are being told: Our problem is inflation. We know that the problem exists, but the opposition members do not seem to know how to solve it. I have here a newspaper article which says and I quote: "The government did nothing". The article appeared in *Le Soleil*. I shall talk about it later, if the hon. member for Saint-Hyacinthe has enough patience to let me finish. I shall come back to the article in about five minutes. Anyway, he can read my comments tomorrow.

● (1700)

Finally, I should like to deal very briefly with a matter which is very much with us: the oil situation. The energy crisis has certainly had important effects on the industrial sector. Its impact, present as well as future, has not been and will not be consistent however, because we must bear in mind the fact that some industries need much more

energy than others. Among these, let us mention the pulp and paper industry, the petrochemical industry, metallurgy, the processing industry for some non-metallic minerals and the food processing industry, all of which are important in Quebec.

It is to be hoped that industries will not suffer too much from the shortage of oil in the next few months. I can assure you that the Minister of Industry, Trade and Commerce will keep a very close watch on the international situation and its impact on Canadian industry. Although supply does not seem to be too much of a problem at this time, the problem of prices is not an easy one to solve. Several companies have already made their difficulties known in that area and as stated in the agreement passed following the Federal-Provincial Energy Conference, a price freeze was decided with grants for the Eastern part of the country. The Federal government is now implementing that plan.

Members of the Opposition talk about the oil crisis. It was said on several occasions that there was an oil problem. Some say they want such and such a route for the pipeline, they want it from Sarnia, they want it through the North, they want this or that. It seems that members of the Opposition and especially Progressive Conservatives when they are from the province of Quebec, support a solution which would favor Quebec in the shortest delay with respect to supply but when they are in Northern Ontario, when they are in Toronto, they are in favour of another solution. I say, Mr. Speaker, that this is playing politics with a problem as crucial as the one we are faced with. In spite of the short term squabbles, we must realize that we have, on a long term basis, a unique occasion to develop our industrial sectors involved in energy because few countries will be able to guarantee those industries a steady supply. Of course, if those resources are to attrack industry they must be available at competitive prices.

Mr. Speaker, in the last session I was pleased to see several pieces of legislation passed which dealt with subjects I had included in my speech on the budget on February 21, 1973. On other points, I see that substantial progress was made towards future legislation.

However, there are two suggestions which I then made and would like to discuss in the House in the near future. I draw them again to your attention. The first deals with housing. In my opinion, it would be advisable that the government considers granting an income tax deduction on the construction of family dwellings, in order to encourage Canadians to become home owners.

Since the owners of public and commercial buildings are allowed each year a certain depreciation on their properties, it would seem logical that the owners of family dwellings be entitled to the same privileges as well as an income tax deduction on maintenance costs and other expenditures incurred, such as interest on mortgages. They could also be claimed as a tax deduction. Such measures would stimulate the construction industry while attaining the aim of the government which is that a great number of families become owners of their home.

Another suggestion which I also made dealt with the CNR employees. They have indeed obtained a retroactive 2 per cent salary raise, but this is not their only demand. They wish to obtain pension fund parity with Air Canada employees and civil servants.

Presently, CN employees wonder why, being employees of a Crown Corporation, they do not get exactly the same treatment as other employees of corporations which fall under the jurisdiction of the federal government.

I know perfectly well that an hon. member on this side of the House is about to introduce a Bill on that matter and I wish to emphasize that I will be pleased to support it.

To conclude my remarks, Mr. Speaker, I would like to make a few personal comments about the Local Initiative Program. I realize that in the Estimates for the fiscal year 1973-74, the LIP budget has been further reduced. This decision being unjustified, in my view, I wish to make two proposals to this House. Either we should completely abolish this program which in its present state causes but dissatisfactions and disappointments among the people, or we should discuss in committee a proper way of applying this program in a more efficient way.

I was pointing out a few things a moment ago, before the departure of the Hon. member for Saint-Hyacinthe. I do not know whether he is going to the province of Quebec while his leader is here but I know that whenever his leader, the hon. Leader of the Official Opposition (Mr. Stanfield), is in Quebec, he in turn is here. Last Sunday, there was a benefit cocktail in Quebec City for Progressive Conservative partisans and this is related to my remarks, since it emphasizes first the absence of the Hon. member for Saint-Hyacinthe, and then that of the hon. member for Brôme-Missisquoi (Mr. Grafftey). In every speech, we have been told that the dear child of Joliette was back home. He was going along with the Leader at that time. Well, I want to ask the Leader if, in Quebec, at the present time, it is one thing to find the hon. member for Joliette (Mr. LaSalle), and another thing to loose the hon. member for Saint-Hyacinthe and the hon. member for Brôme-Missisquoi?

When the leader of the opposition was visiting his supporters—who, by the way, are not that many in Quebec—two thirds of his members in Ottawa were absent. Fortunately, the hon. member for Joliette has come back to the fold, because the whole caucus would have been absent.

I find it very amusing that this member should make his first official trip with his leader in Quebec when he himself, on every TV and radio network, following caucus meetings on topics of particular interest to Quebec, makes statements to the media repeating what Mr. Balcer once said in the House: There is no room for a Quebec French Canadian in the Progressive Conservative party.

How can he, this is the question the hon. member for St-Hyacinthe was asking a moment ago, explain in the ridings of Joliette or Saint-Hyacinthe the inaction of government? Personally, in Joliette, I would have simply asked the member for that riding to explain his change of heart. For that matter, he follows in the footsteps of his Quebec leader who has had many changes of heart.

I have here, an item that appeared in Monday's issue of the newspaper *Le Soleil*. The article was entitled as follows:

Robert Lorne Stanfield rewrites Quebec's history

The article reads as follows:

Saturday night, Robert Lorne Stanfield encouraged the Quebec conservatives to write a new chapter in the province's history, a chapter entitled: "The province reconquered".

Of all the Quebec members sitting in this House, none, I think, who is really aware of what happened in Quebec in the years 1760 during the conquest would have dared say that in Quebec. It is the Conservative leader who comes to conquer us again, under the "tory" banner, a party made up of Englishmen.

Don't take the Quebec people for fools. We were conquered once, more than 200 hundred years ago, and it still hurts. I shall not tolerate any attempt to reconquer us in 1974. Perhaps the leader of the official opposition meant his conquest of the hon. member for Joliette (Mr. La Salle). It could be that I say that anyone trying to reconquer the province of Quebec and banking on the hon. member for Joliette will have a lot of work to do. The way he keeps changing his mind, the hon. member could very well be in another political party at the time of the next election.

● (1710)

I note something else in that article on the great speech on the leader of the official opposition. I ask the members of the opposition to pay close attention to what I am about to quote: The Trudeau government "has done nothing" to check inflation, the Liberal government "has done nothing" to solve the oil crisis, the Liberal government "has done nothing, absolutely nothing". But, in the same speech, he contradicts himself, and I quote the words the leader of the official opposition spoke in Quebec:

Since January 4, 1973, we have seen the Liberal government adopt, one after the other, quite a few of our policies and ideas, which it had previously spurned, derided.

Does that mean that when the government accepts the positive suggestions of the opposition, when they are positive, when they can be passed by the House, it does "nothing"? Some inconsistency! I put the question to the leader of the official opposition.

Mr. Speaker, I say that this speech is a mass of inconsistencies. They say that we have "done nothing". And yet, we have done everything the Progressive Conservatives had recommended we should do. Which means that they did not recommend much and they did not do anything for Quebecers.

Mr. Speaker, I am almost through with my remarks. When they talk about "conquest" of when they say:

"La Belle Province should keep in mind that the Conservative Party was the only one to stand up for Quebec with respect to oil supplies and prices.

But I simply ask what steps they proposed as a solution to this problem, to "résoudre à l'avantage", as the leader of the opposition says when he comes to Quebec, what single measure, if any, have they proposed, except to say: The government is powerless, the government "has done nothing".

Finally, Mr. Speaker, I dare hope that before the end of the throne speech debate, at least one Conservative in the House will have a concrete proposal to make. If the Conservatives did not understand my French, I ask them to read it in French tomorrow in *Hansard*. I have made proposals to the government and I know it is willing to listen to us. But the opposition can only criticize, so they are beyond help—

An hon. Member: It will not be better tomorrow.

Mr. Guay (Lévis): Yes. Read my speech tomorrow.

[*English*]

Mr. O'Sullivan: It won't make any more sense tomorrow.

Mr. Guay (Lévis): You read it tomorrow.

[*Translation*]

Mr. Speaker, people come to Quebec and say: "Let La Belle Province remember . . . " Quebec remembers one thing especially, and that is the Conservative members of Parliament. The same article refers also to the official language. What did the Progressive Conservatives and the Social Crediters do about this? They separated and said: We are still hesitant. Out west, the members of Parliament said: Understand that we have protected you. Then, in Quebec they said something else. A few Quebec members voted for the bill on official languages. As for the Social Crediters, what did they do? When the vote was taken on the official languages bill they abstained from voting. They said: "It is not enough!" When one says it is not enough, when one refuses to make the first move, how can one march in step. If nobody makes the first move, things come to a standstill. I blame them severely and the Quebec people will also blame them for taking this attitude.

Mr. Speaker, we have heard about a solution: The Leader of the Official Opposition goes around the country saying: Well, we will freeze prices for 90 days and after that, we will see, we will look into the matter, we will set up committees and then see how to deal later with the problem of inflation.

Mr. Speaker, everyone can see that these people are irresponsible, and I think the public, the Canadian people, cannot trust a party that has never proposed a policy which would benefit not only Westerners or Quebecers, but all Canadians.

The Liberal party, with our prime minister, was not afraid to go out West during the federal-provincial conference of western prime ministers to discuss problems and put forward solutions for the benefit of the western people. It was not afraid to come to Quebec to face problems, because only the Liberal party is and will remain the party of all Canadians.

[*English*]

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, before I begin my comments on the Speech from the Throne, I should like to refer briefly to the words used by the hon. member who has just taken his seat. May I say that when I hear a speech like his I am extremely embarrassed. It hurts me to see a grown man representing a riding as large as his stand in this House and cry. All he says, in essence, is: Give us an indication of your policies. This is what we have heard over and over again. They want us to govern, but they want to be the government.

Like other members of parliament I had the privilege of listening to the speech from the Throne and hearing what was said by the mover and seconder of the Address, by the Prime Minister (Mr. Trudeau) and by various cabinet ministers as well as by supporters of the government. I believe the people of Canada will be as disappointed as I am by the contents of the Speech from the Throne. We are living in troubled times here in Canada. We are in difficulty economically. We are not sure what the future will bring. The country is looking desperately for leadership. It has occurred to many, as it has occurred to me, that all we hear in the Speech from the Throne is, really, a rehashing of policies which have been in Liberal speeches from the throne for the last 15 years.

I should like to deal with some of the deficiencies in the Speech from the Throne, deficiencies which affect small businesses, defiencies which affect the labouring people of the nation, deficiencies which affect the housewife, the merchant, those who are trying desperately to get along on fixed incomes. However, I have been delegated to deal with the Speech from the Throne as it concerns agriculture.

Mr. Speaker, I have known the Minister of Agriculture (Mr. Whelan) for a great many years, even before we both became members of this House. He is a man for whom I have a great deal of respect and affection. I have a great deal of affection for him as an individual. But I consider that his response, as minister, to the needs of the industry and of the nation, to be less than effective. He has travelled across the breadth of this nation making, perhaps, more speeches than any other Minister of Agriculture in our nation's history. He has assured the nation that the farmers of Canada are second to none in productivity. He is correct. He has assured the farmers that they are tops in efficiency. He is correct in that too. The Minister of Agriculture has told the farm community that they are second to none in the world. That, Mr. Speaker, is absolutely true, because if they had lacked those qualifications none of them could have survivied the last six years of Liberal administration as far as agriculture is concerned.

Some hon. Members: Hear, hear!

Mr. Danforth: Let us recall one of the speeches the minister made. It was at the Outloook Conference. This throws light on the manner in which he is carrying out his responsibilities. He said:

> We are watching energy supplies. We are watching fertilizer supplies. We are watching equipment supplies. We are watching steel production. We are watching agricultural chemicals. We are watching agriculture stocks and we are watching international markets.

Mr. Speaker, the minister and the other members of the present government are probably the greatest Canadian spectators of all time. But what the farmers want is not conversation or spectator entertainment; they want to know when the minister will get off his podium, sit at the drafting table and begin to introduce legislation so that some of his fantasies could become facts.

In his speech the other day—and I was amused by this—the minister said:

> I note that an hon. member suggests that this is a Conservative policy—

The reference was to the program for agriculture which the minister had just outlined and which had been mentioned in the Speech from the Throne. He said:

> I note that an hon. member suggests that this is a Conservative policy. I note he has been reading some of my speeches and is adopting some of my ideas.

Mr. Knight: He was right. The minister stole them from us.

Mr. Danforth: We need only go back to the 1958 policies of the Conservative party. There one would find, almost verbatim, the proposed 1974 policy of the government, with one small exception, that is, the reference to payment for grain storage in eastern Canada. It is no wonder members of the Conservative party recognize these proposals. They, themselves, were the proponents and authors of that policy. Now, we see it incorporated in Liberal policy for 1974. Mr. Speaker, the policy was good in the 'sixties but surely it is not adequate for the 'seventies. We have entered a new era. There is a revolution in agriculture. There is a brand new ball game, and some new rules are required.

If agriculture is to make progress, a long-range policy is needed. The policies proposed must be credible. There must be confidence in the minister and in the government. But they have done everything possible to discredit the minister and discredit themselves. I should just like to give a few illustrations of what I mean. One of the greatest concerns of the primary producers of Canada today is the availability of fertilizer and its price. I should like to quote what the Minister of Agriculture said to the growers of this nation, as reported at page 1248 of *Hansard* for February 13, 1973:

● (1720)

> Having done some research and made telephone calls, I wish to report . . . that the price of fertilizer will not increase.

The price of fertilizer has almost doubled, Mr. Speaker. The minister also said that we must be thankful we have the farmers we have in Canada. After the crass Liberal policies we have had, we surely can be thankful that we have any farmers at all left in Canada.

The minister also said that we must be very cautious that we do not do something that would discourage them. I should like to deal with some of the actions this government has taken which are discouraging farmers, and I do not have to look very far. I should like to deal with the beef industry, the representatives of which are in Ottawa today. The price at which this industry is being asked to sell its products is less than cost of production. Beef producers in this country today are losing thousands and thousands of dollars. As a matter of fact, many of them have already gone bankrupt. Many more are contemplating bankruptcy, and havoc will be created so far as future production of beef is concerned unless the government does something to correct the situation, and does it now.

I should like to repeat what the minister said about this, not today but at a prior meeting with the cattle producers. He said:

> During my discussions with the cattlemen's associations and others I found them to be as happy a group of producers as I have found in any part of our nation.

How ironic it is that the producers who are his friends, and who are so happy, are the very ones who are going bankrupt at the present time as a result of the policies of this government. And the minister says that we must be very cautious that we do not do something that would discourage them! The minister scares me to death when he talks like this.

I want to deal with another commodity about which he has made a statement. The minister has said that more stability has been provided to the dairy industry than any other sector of the agriculture industry in Canada. I ask, what stability? We have the same dairy production in Canada today as we had 100 years ago. It cannot provide for the needs of the Canadian people today, when three or four years ago it was producing an abundance of butter and milk powder for export, with hundreds of thousands of pounds in storage. There were adequate supplies of cheese, butter and milk powder for all Canadian citizens at a reasonable price. Yet the government says it has provided stability. What has the government done in its search for stability? One thing it did was to establish quotas and to say that anyone under a certain quota—and the government set the minimum—would get no subsidy or support. What did this do, Mr. Speaker? It put every little milk and cream producer out of business.

Then, the government was not satisfied with that. It said that what it would do with the quotas was to fix it so that anyone who went over quota would be fined $1.25 per one hundred pounds of milk produced over quota. What has been the result of this? Dairy production in Canada has degenerated to such an extent that this year we are going to have to import 54 million pounds of butter to supply our own domestic needs. No wonder the minister says that we have to turn the dairy industry right around. I wonder what he means by that, because he has already turned it upside down. This is why we are so anxious about government policy and want to know what is going on.

We are also very concerned about the poultry industry. The minister has stated there must be more and more production to fight the increase in inflation. Yet this is the same government that slaughtered two million head of poultry in this country. We had too much poultry and now we are told we do not have enough. The government says we must put emphasis on the production of food and that we must have more food. The farmers must take acres out of fallow and provide more food for the nation and for export. And this is the very government that paid farmers not to grow wheat. The government now says they must grow wheat and it is doing everything it can to get them to grow wheat. This is the type of stability we have, Mr. Speaker, and it is why it is a mockery for the government to say that we have to be very cautious that we do not do something to discourage agriculture.

I should like to say a few words about sugar, something very dear to me. The government has said that we must have a sugar policy and do something about the price of sugar. The government and this Minister of Agriculture were the very ones who put the sugar beet growers in Ontario completely out of business. Now, the minister says we have to establish a sugar industry in southwestern Ontario, the very industry that it put out of business. The

government stopped the subsidy of $700,000 to Ontario producers to produce sugar beets in an endeavour to save money. It then paid the same farmers $1.5 million to stay out of the sugar beet industry. Today, the minister says that we must establish a new industry, that it may cost $30 million to build a new plant. How has this government established any credibility? How can we believe the government is sincere when it tells us its programs are designed to help the farmers?

If anyone had any doubt about the sincerity of this government, let them read the Speech from the Throne. According to the Speech from the Throne, it is government policy to provide high quality food to Canadian consumers at lower prices. Then, the government turns round and says that we have to encourage the farmers of this nation to grow more food at a greater return to the farmers. Anyone who knows anything about business should know that you cannot have cheaper food and pay the farmers more. That is no policy at all. It is not possible, practical, feasible or credible. This is why the government is in trouble.

What has the government done to the beef producers of this country? First of all, it placed an embargo on beef shipments to the United States, our traditional market. Then, it lifted that embargo. Then, it took off the tariff protection we had against imports of U.S. beef flooding our market. Then that was not good enough; the government put it back on again and doubled the tariff. Then, it reduced the tariff gradually to its original floor. Now, when our industry is being crippled as never before, the government is considering what else it can do. When the government comes up with some plan I just do not know whether it will help or hinder. I shudder every time the Minister of Agriculture makes some proposal or puts forward some new policy. We are told not to interfere, to be very cautious about doing anything. Yet the government has changed its policy on beef alone six times in six months. How can agriculture thrive with a policy like that, Mr. Speaker?

We in the vegetable industry in Canada depend for the most part on tariff protection in order to survive. If there is one thing we must have in Canada today it is a guaranteed, stable production of fruits and vegetables. Who would ever believe that the housewives of this country would go to the grocery stores and find the shelves bare of fruits or vegetables either in the fresh, frozen or processed form; but that is what is happening. It is happening because this government kept tinkering with tariffs and reducing them so that many of our vital industries have gone out of business. In my area there used to be thousands of acres devoted to the production of early fruits and vegetables. However, these producers have found that under the reduced tariff protection offered by this government they could not continue in business.

● (1730)

What happened? The Minister of Finance (Mr. Turner) in this House a few weeks ago, without consultation with any segment of the agricultural industry and perhaps not even with the Minister of Agriculture, eliminated the tariff on many fruits and vegetables coming into this country. Immediately there was chaos in the Canadian industry because this was done at a time when production

was coming in. Many of our markets collapsed as a result of this action by the government. The actions of this government where the farmers and agriculture are concerned are those of an antiquated body which either does not understand at all the complex agricultural industry or does not give a damn about the farmers. It is one or the other. There is no other explanation for these policies that have been carried out.

I should like to speak of another problem in respect of agriculture. We must have some policy in this regard because we are in trouble. It deals with farm labour in southwestern Ontario in the harvest and planting seasons. There is difficulty obtaining labour. The government establishes minimum wages. We have tried to compete, but the result is that there are not sufficient people to do the work there. We have attempted in every way possible to encourage people to come from other parts of Canada and even offshore. What does the government do? It sends a group of people down to that area to inspect the working conditions of the labourers who go there. They find a single case of abuse in respect of housing, at least an alleged abuse. On the basis of that, the publicity goes out across this nation that the employers in that area abuse their privileges as employers and make the position of the employees almost untenable. There is reference to substandard wages paid by the growers in that area. The wages paid in that area are comparable to those paid by the automobile factories adjacent to them. If they were not, there would not be any labourers available.

The very objectives of this government, without investigation of the facts and without listening to the representations of the agricultural groups, have made it almost impossible for us to have enough labourers to take off our crops. Excursions were started into the area by this government. These excursions involved young people from all over the nation with a view to helping us with this problem. "Excursion" is the word for it because these young people came at government expense. They got off the buses, the planes, the taxis and the trains, looked around, said it was a good district, and then got back on the planes, trains and buses and said to the government "Thank you for the trip". There were some exceptions involving young people who worked for an hour or three hours in order to see what it was like, so that they could go back to school and write an essay about how they worked in the fields. Now, the government is talking about a pool of labour from which the employers can obtain labour to help them. This is not regular labour. They have to take their chance and they can do this provided there is adequate government inspection of the working premises in order to determine that conditions are acceptable, not to the workers, but to the government inspectors.

This is the reason the agricultural community lacks faith in this government. This is the reason the agricultural community lacks faith in the Minister of Agriculture. They like him as a person. I like him as a person, but unless he can produce some effective policies he will be completely discredited, not only across this nation and in this House but in his own riding. That would be unfortunate indeed, because I think without a doubt he is the only individual on that side of the House who knows anything at all about farming. Perhaps he is the only practising farmer on the government benches today. Perhaps that is the reason we are in trouble; I do not know. I had great hopes when he was appointed Minister of Agriculture. I am from a neighbouring riding of his and I had great hopes. I went to him and told him that I would do everything in my power to help him in his programs to help the farmers. However, it became evident that, although he had some ideas, he was unable to convince his colleagues. Had he had any influence over his colleague the Minister of Finance, perhaps we would not have had the reduction of the tariff on foodstuffs.

In the Speech from the Throne there is a suggestion that the government intends to do great things in respect of transportation. There is no mention of transportation as it relates to agriculture. When we talk about transportation in the House everyone in Canada thinks there will not be sufficient boxcars to move the grain to the coast. But that is only one part of the problem. The housewives of this country are becoming very concerned over the fact that there are not sufficient canned goods on the shelves when they go to the grocery stores. The shelves are becoming more and more bare. It is true that in some cases the fruits and vegetables are available in the warehouses of the companies which manufacture them, but there are absolutely no cars available to transport these goods to the retail stores. There are no boxcars. I spoke to the manager of a canning plant in southwestern Ontario who said that so far as he was concerned—and this is just one of many instances—they are 140 boxcars behind last year's minimum effort in respect of shipping goods. He said they are attempting by all possible ways to get the goods on the market. They are paying premium transportation rates for trucks and every sort of licensed vehicle they can obtain with the result that the consumer will have to pay more money for these goods. I do not want to hear the government blame producers for the high cost.

Much of the blame for the increased cost of food today can be laid at the doorstep of this government. Is it not ridiculous to think that we have a Minister of Agriculture going around this country saying that so far as the producers are concerned the price of food is still not high enough and that the farmers should have more for their produce, then have another minister saying they will do everything they can to drive down the prices of food. I am speaking of course of the Minister of Consumer and Corporate Affairs (Mr. Gray). That is in direct opposition to the Minister of Agriculture. Then, we have the third minister in this unholy triumvirate so far as agriculture is concerned, the Minister of Finance, who wants cheaper food not because of concern for the consumer but because of political expediency and the fantastic dream that the importation of cheap food will force down the cost of living.

This government's policy is not formulated for the farmers of this nation. I might use the old cliché that is so true in respect of agriculture. The government staggers from crisis to crisis. It has taken the Conservative policy of 1958, has constantly revamped and patched it and reproposed it to the present date. I am not surprised at hon. members over there asking us what we would do, because it is evident that in all departments they are bereft of ideas. I am as convinced as my colleagues that when the people are again asked to give a mandate they will vote for a party which is progressive, which shows

some initiative and has some policies to solve crises. Over and over again I have sat in my seat listening to the members of the government condemn us for even proposing price, wage and income control, yet all they have to do is look at the results of their own monetary and fiscal policies to see that they have been an absolute disaster. They must devise other ways of tackling these problems. Perhaps we do not know all the answers but we are not wrong all the time.

● (1740)

This nation must have a policy that will lift us out of the doldrums in which we find ourselves today in order that we can again become a nation among nations. We have a golden opportunity to be a leader among nations, but we cannot hope to be under this present government's policies. This government says it cannot take action because our problems are worldwide. I suggest that under a progressive government we would once again become a leader instead of a follower.

Mr. Hugh Poulin (Ottawa Centre): Mr. Speaker, let me first add my congratulations to those of my colleagues who have already spoken in this debate to the mover (Mr. Stollery) and the seconder (Mr. Pelletier (Sherbrooke)) of the Address in Reply to the Speech from the Throne. I wish every one of the constituents of the hon. members for Spadina and Sherbrooke could have been here to hear those speeches. Had that been possible, I am sure those hon. members would win their ridings in the next election by landslides. In any case, they certainly did justice to their cause and deserve to be proud, as we are proud of their outstanding contributions to this debate.

May I also extend my warm regards to His Excellency and Madame Léger, with the wish that their term in office provide them with much happiness and peace. I can see already that they will make a great contribution to Canada.

Having said that, may I also welcome all of you, my colleagues, back to my riding, as the parliament buildings are, of course, part of Ottawa Centre, the riding I have the honour to represent. This afternoon I have heard those opposite say they are having some difficulties dealing with government. May I also offer to those who live within my riding, as many here do, the services of my constituency office at 340 Elgin Street to help with any problems they may have.

An hon. Member: Give us a new member of parliament.

Some hon. Members: Oh, oh!

An hon. Member: You would then be busy 24 hours a day.

Mr. Poulin: I am already busy 24 hours a day. Ottawa Centre is the heart of the national capital area, not only politically but culturally and socially as well. It is for this reason I have spoken on a number of occasions of my conviction that the National Gallery of Canada, presently in quarters that were never intended to be more than temporary, remain in its present general area. To be more specific, I should like to see the new National Gallery built on the land directly south of the National Arts Centre, and

[Mr. Danforth.]

the land of Cartier Square, which is presently occupied by a temporary Department of National Defence building, become a parkland area for the citizens of the area known locally as Centretown as well as for the citizens of the nation who come here to visit.

Ottawa Centre, as the political heart of the nation's capital, also finds a majority of the 125,000 federal public servants in the national capital area working within it. Many of these people also live within the riding. Bilingualism in the public service is thus a matter of concern. However, I know that the vast majority of public servants accept and endorse, as do I, the policy of bilingualism as stated in the legislation passed by this House in June of last year. The concern which has been expressed in the past over the implementation of the Official Languages Act among public servants has decreased substantially in past months. A couple of weeks ago there was a new flutter of concern about bilingualism when it was reported that the number of positions to be classified bilingual would probably be greater than the original estimate, but surely this issue of numbers is not a real one to any reasonable minded Canadian.

Recently the Ottawa *Journal* hit the nail on the head. In its lead editorial on Wednesday, February 20, regarding bilingual positions under the heading "Its Need—Not Numbers" it stated:

> The purpose of designating bilingual positions is to give effect to the will of parliament, to assure the right of all Canadians to communicate with their federal government in the language of their choice, to ensure the right of public servants to work for the federal government in either official language.

Therefore, whether the number of bilingual public service positions is 25,000 or closer to 50,000 is not an issue.

In addition, as the President of the Treasury Board (Mr. Drury) has stated, the principal reason for not disclosing the total or an approximate number of bilingual positions stems from the firm commitment of this government to the staff associations that they would be consulted and fully advised before any official disclosure or determination was made.

Last year $2 million was applied toward the stimulation of bilingual education in the lower grade schools in this community. These federal funds were spread out among the four area school boards in the national capital area on the Ottawa side. May I say from personal experience that this has been of great benefit to all of the children who had the opportunity through this federal funding to learn a second official language. It should be continued and I would urge the government and the President of the Treasury Board to consider very seriously making the same amount of money, or more if necessary, available in order to encourage the learning of the official languages in our schools in the national area.

However, the official languages policy is only one area in which there is a two way relationship between the employer, the government, and the employee, the public servant. Salaries represent another such area, and here also the government must act as a responsible employer, and the public servant must act as a responsible employee. Salary increases must keep up with the increase in the cost of living, but at the same time they must be such as not to add to the inflationary pressures in this country.

Ottawa Centre, however, in many ways is not unique among urban ridings. This riding has many of the same social and economic problems that are present in numerous other urban ridings. However, in the case of Ottawa Centre, the federal government has special responsibilities as the federal government itself is a major landowner, tenant and employer. For this and many other apparent reasons I again urge the government, as it has been urged many times in past parliaments, to establish a joint parliamentary committee to study the present and future development of the national capital and the national capital area, a committee composed of members of this House and of the Senate, of members from all parts of Canada. It is my determined belief that not only are we blessed by Providence with the finest country in the word but also blessed with potentially having the finest national capital in the world as well.

● (1750)

Some hon. Members: Hear, hear!

Mr. Poulin: Take Lebreton flats for example. This is a choice area of land, formerly partly residential, on the shore of the Ottawa River just to the west of the parliament buildings. As a matter of fact this vacant area of land can be seen from the parliamentary restaurant. This land was acquired by the federal government in 1961, and has lain idle since that time. When the land was first acquired, the plan was to use it as the site for the new National Defence Headquarters. That plan did not materialize. In the mid-1960's much of the land was earmarked for arterial road construction. Fortunately, nothing came of that plan.

Again, I urge that work begin immediately on a concept plan for Lebreton Flats. It is my recommendation that this area be developed for housing so that the people of Canada will be able to use and enjoy this choice area of the national capital. Because of its proximity to downtown Ottawa this land is too valuable to lie idle. I envisage an integrated, forward-looking community for this area, a community of various types of housing to accommodate a cross-section of Canadian society, a community which has its educational and commercial requirements taken into consideration from the beginning, an area which would lend itself also to exemplary recreational facilities for Canadians of all ages and interests including, for example, much needed soccer fields for this sport which is rapidly becoming so popular. There have been encouraging signs in recent months for this type of proposal. I urge the National Capital Commission that, starting immediately, it report monthly progress on development of a concept plan for Lebreton flats along the lines that I have suggested.

To be taken into consideration when developing Lebreton flats should be the citizens in the area directly to the south, that is, Dalhousie Ward. The residents of Dalhousie Ward have published a study, done almost exclusively by the people of the area but financed by a $45,000 federal government grant from Central Mortgage and Housing Corporation. The initiative of the residents of Dalhousie Ward, of Central Mortgage and Housing Corporation and of the minister responsible for it, all deserve a great deal of credit for this experiment in urban planning.

As the minister mentioned earlier in his remarks today, an agreement has been reached between the province and the federal government with respect to the neighbourhood improvement program and with respect to the residential improvement program. The plan, as I say, was developed by the residents of Dalhousie Ward. It is now being considered by the citizens of the ward. It will then go to the municipal officials, and I would only state to the people of that area, to the minister, to the municipal officials, and to the corporation that they will have my entire support in having that area designated in order that it qualify for the neighbourhood and residential improvement programs as enacted by recent legislation.

I now wish to turn to some national issues, Mr. Speaker, It was heartening to me, and to most Canadians, to see mention in the Speech from the Throne of such a wide range of measures to impede inflation, and especially inflation in the area of food prices. I note particularly the measures that will result in increasing the supply of food, for this is the only long-term solution to the complex problem of increasing food prices. Here I mention measures such as assistance to farmers to help them modernize their methods, assistance to young farmers to help them get established in agriculture, improvements to marketing systems, and the availability of manpower, especially during peak periods.

I note the twin commitments in the throne speech that on the one hand the producer must be assured a fair income for his work, and on the other hand that the consumer must be ensured a fair value for his dollar. I quote from the speech:

> He must be protected against disruptive increases in the price of essential food stuffs caused by international market demand. Guarantees against unduly low prices to producers must be coupled with guarantees against unduly high prices to consumers.

In the past several days we have heard that bread prices are likely to rise in the near future. However the fact remains that without Liberal government action last summer and fall, bread prices today would be 10 or 12 cents more per loaf than they are now.

Mr. Speaker, I see it is two minutes to six o'clock, and I wonder if at this time I could call it six o'clock as I am just about to go to another topic.

The Acting Speaker (Mr. Boulanger): Does the House agree to call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): It being six o'clock, this House stands adjourned until tomorrow morning at eleven o'clock pursuant to Standing Order 2(2).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 7, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

RESTRICTIVE TRADE PRACTICES COMMISSION

FILLING OF VACANCIES IN MEMBERSHIP—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise to seek consent of the House to move a motion under Standing Order 43 in a case of urgent and pressing necessity, namely, the continued inactivity on the part of the government, making ineffectual the administration of the Combines Investigation Branch in one way by keeping the Restrictive Trade Practices Commission without a chairman since May, 1970, and with only one member since the end of December last year. Therefore, I would like to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

This House instructs the government forthwith to make the necessary appointments to the Restrictive Trade Practices Commission so that its membership will be at the full complement of three, pursuant to the Combines Investigation Act, and thus put the commission in a position to carry out its responsibilities on behalf of the consumers of Canada.

Mr. Speaker: The hon. member's motion requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The hon. member's motion cannot be put.

* * *

FOREIGN INVESTMENT REVIEW ACT

TABLING OF REGULATIONS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table of the House, in both official languages, copies of regulations pursuant to the Foreign Investment Review Act.

* * *

SUPPLEMENTARY ESTIMATES (B), 1973-74

A message from His Excellency the Governor General transmitting Supplementary Estimates (B) for the financial year ending March 31, 1974, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I should like to table copies of Supplementary Estimates (B) for the financial year ending March 31, 1974.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I move:

That the Supplementary Estimates (B), 1973-74, tabled this day, be referred to the Standing Committee on Miscellaneous Estimates.

Motion agreed to.

* * *

PENSIONS

RAILWAY EMPLOYEES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave of the House to present a motion under the terms of Standing Order 43 for the purpose of giving the House the chance to let the Minister of Labour know that we are waiting anxiously for him to implement his commitment to appoint a commissioner to go into the whole broad question of railway pensions. I hope, therefore, the House will agree to this motion so that the minister will have that approval. I move, seconded by the hon. member for Skeena (Mr. Howard):

That this House requests the Minister of Labour to appoint forthwith a commissioner to inquire into all aspects of railway pensions, including a full inquiry into ways and means of improving substantially the pensions of Canadian railway employees already retired.

[*Translation*]

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there such unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not, and therefore the motion cannot be put.

● (1110)

[*English*]

CANADIAN NATIONAL RAILWAYS PENSION PLAN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the prejudicial

manner in which CNR widows are treated with respect to their pensions, in view of the fact the CNR is a government-owned and operated railway, and in view of the statement by the Minister of Labour that discrimination will be eliminated from the Canada Pension Plan, the Immigration Act, the Canada Elections Act and those acts respecting veterans' pensions, I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Gleave):

That this House instruct the government to bring in legislation which would correct the appalling discriminatory practices in the CNR pension plan.

An hon. Member: No.

Mr. Speaker: There is not unanimity.

ORAL QUESTION PERIOD

[*English*]

ENERGY

PROPORTION OF EXPORT TAX PAYABLE TO OIL PRODUCING PROVINCES—APPLICATION OF EQUALIZATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister. What is the position of his government now with regard to the receipts of the oil producing provinces, the proportion of the export tax that may be paid to oil producing provinces? Is the position of the government today that this is subject to equalization, or not?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this question is part of a whole series of questions that I am in the process of discussing with the premiers of the oil producing provinces and of the oil consuming provinces. We have a position on this point and I have put it to the premiers. I would hesitate to state it now because it is part of a package, I repeat, which we are negotiating with the provinces which have opposing interests. I would be reluctant, indeed, to have to indicate at this stage of the negotiations what the government's position is.

Mr. Stanfield: Mr. Speaker, I have a supplementary question for the Prime Minister and I am not really asking him for a legal opinion. In view of the position taken prior to the recess of the House that the share of the export tax received by the oil producing provinces was subject to equalization, and specific sums were actually mentioned as to what would have to be paid with respect to equalization for the months of September, October, November and December, and in view of the indication by the Minister of Finance since then that, technically speaking at least, a proportion of the export tax received by the oil producing provinces was not subject to equalization, I should like to ask the Prime Minister not what his package is—I am not inquiring about his package for discussion—but whether it is his position that his government is bound under the existing law to regard those moneys received by these oil producing provinces to date as subject to equalization?

[Mr. Rodriguez.]

Mr. Trudeau: Mr. Speaker, if the hon. Leader of the Opposition is talking about the past, the opinion expressed by the Minister of Finance is one we stand by, that is, to the effect that these amounts are not subject to equalization.

Mr. Stanfield: If that is the present position of the government, that these payments are not subject to equalization, can the Prime Minister explain why the government told the House, when the export tax matter was before the House for legislative purposes prior to the recess, that these payments were subject to equalization?

Mr. Trudeau: Mr. Speaker, my recollection of what we told the House is that the receiving provinces under the equalization system had benefited largely in the past year, notably by the increases announced by the Minister of Finance last spring, and that the provinces therefore were in a better position with regard to equalization than they had been in previous years. It is true that I remember indicating that they probably would benefit from the increased returns to the oil producing provinces, and that still remains the case. Whether these increased returns would come from their share of the export tax or from general revenues is something which I think was left undetermined.

Mr. Stanfield: Would the Prime Minister examine *Hansard* of January 4, which clearly indicates that the share of the export tax received by the provinces would be subject to equalization and that this was one of the pleas of the Minister of Finance for adoption of the measure? Will he examine the record and at an early opportunity explain to the House why the government made this representation to the House at that time and why, since then, it has taken a different position?

Mr. Trudeau: Yes, Mr. Speaker, I will certainly look up the *Hansard* record and discuss the matter with the Minister of Finance.

* * *

CONSUMER AFFAIRS

INCREASES IN STEEL PRICES—MONITORING BY DEPARTMENT—REQUEST FOR INVESTIGATION

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs arising out of the announcement by Dofasco that the company is increasing the price of rolled steel by about 8 per cent, that increase following almost exactly the same increase by the other two big producers, Stelco and Algoma and following a number of other increases which have taken place in the last few months. As steel enters into the production of homes, cars and a host of other products that the Canadian people need and consume, may I ask the minister whether his department is monitoring these price increases and whether he will refer the apparent cartel arrangement among the large steel corporations of this country to the appropriate officers working under the unfair practices legislation for study and research?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, I will be pleased to have this matter brought to the attention of the officers to whom the hon. member refers. He has raised a very important question and I will be pleased to provide further information when it is possible for me to do so.

Mr. Lewis: Mr. Speaker, may I ask a supplementary question which was part of the question I have already put to the minister. Is the minister's department monitoring these steel price increases and has it had any conversations with the companies to ascertain whether these increases are at all justified in view of the very large profits recorded by all the companies I mentioned?

Mr. Gray: Mr. Speaker, my department has not had such conversations. With respect to monitoring, this matter is being followed by a number of government departments but has not been specifically followed by my own up to this point.

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RESTRICTIVE TRADE PRACTICES COMMISSION

REASON FOR DELAY IN FILLING VACANCIES IN MEMBERSHIP—EFFECT ON WORK

Mr. David Lewis (York South): I have a further supplementary question, Mr. Speaker, arising out of the motion the hon. member for Skeena tried to move earlier. Would the minister explain to the House why the Restrictive Trade Practices Commission now consists of only one member when it is, by law, to have three members, and how the commission carries on its hearings with only one member? Has it in fact carried on any hearings within the last year?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, the commission is carrying on its work of supervising certain investigatory activities of the combines branch as well as considering certain matters referred to it by the branch. It is the intention of the government to fill the remaining vacancies certainly before the stage one competition policy bill is decided by the House, at which time the commission will have additional very important duties to review certain trade practices.

Mr. Lewis: Mr. Speaker, may I direct one last, brief question to the minister?

Mr. Speaker: Order, please. This is the hon. member's fourth question. He will be recognized for a short supplementary, followed by the hon. member for Charlevoix.

Mr. Lewis: I think members of the House as well as the people of Canada would be interested in knowing why there has been such a long delay in appointing the chairman of the commission and why the other vacancy has been left so long?

● (1120)

Mr. Gray: Mr. Speaker, my understanding is that there is a chairman, Mr. Couture. With respect to filling the other vacancies, it is the government's intention to fill them in light of the possible decisions of the House with regard to the stage one competition policy bill.

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[*Translation*]

COMMUNICATIONS

STATE OF NEGOTIATIONS WITH QUEBEC ON CONTROL OF CABLEVISION

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I wish to direct a question to the Minister of Communications.

In view of the new statements—and we discussed them a few days ago—made by his Quebec counterpart, Mr. L'Allier, can the minister tell us how far the negotiations have gone between Quebec and Ottawa about the control of cablevision?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, the last developments are as follows: There were meetings between officials and we are waiting for the provinces to propose a convenient date for the second part of the federal-provincial conference started at the end of last November.

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

Can the minister tell us if representations were directly made either by himself or by his officials about the fact that the province of Quebec is now claiming from cablevision operators the amount of approximately $800 for a supposed provincial permit?

Mr. Pelletier (Hochelaga): Mr. Speaker, we are trying to ascertain the facts in this field, after which we will be able to establish our policy. The facts are still little known.

NUMBER OF FRENCH AND ENGLISH RADIO STATIONS IN MONTREAL

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a supplementary to the Minister of Communications.

Does he intend taking specific action to improve the situation revealed by Mr. L'Allier as concerns the imbalance between the number of French radio and television stations and the percentage of francophones in Montreal, in view of the fact that there are ten English radio stations against only eight French stations, while the number of television stations is the same for both languages?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, this question does not come under the jurisdiction of the minister, as the hon. member is well aware, but under the authority of the CRTC, which has heard very recently the representations of three contractors for a third French television station in Montreal and which should announce its decision on this matter in a relatively short time. For the past two years at least, the CRTC has also been studying the general situation as concerns both the French and English radio stations in the Montreal area.

Oral Questions

Mr. Roch La Salle (Joliette): I should like to ask the Minister of Communications whether the proposals put by his Quebec counterpart in the brief submitted to the federal government are acceptable by the latter?

Mr. Pelletier (Hochelaga): No, Mr. Speaker.

* * *

[*English*]

CONFLICT OF INTEREST

PUBLIC SERVANTS AND ORDER IN COUNCIL APPOINTEES—RIGHT TO CONTINUE COURSE OF ACTION WHILE CASES UNDER ADJUDICATION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Prime Minister pursuant to the statement made in the House by the right hon. member on December 18 in which he set out guidelines for public servants and order in council appointees. Can the Prime Minister say whether as a matter of policy public servants under investigation will be permitted to continue in that course of action which prompted the investigation in the first place while their cases are being adjudicated?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I missed part of the question because of noise and from that part I heard it appears to be purely theoretical. I am afraid I do not have an answer. If the hon. member will repeat the question, hopefully by being more specific as to cases, I will attempt to answer it.

ALLEGATION THAT CERTAIN CAPTAINS IN MARINE SERVICES BRANCH STILL CARRYING ON SAME ACTIVITY WHILE CASES UNDER ADJUDICATION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I direct my supplementary to the Minister of Transport. Is the minister aware that four federal employees, captains in the Marine Services Branch of his department in the Toronto area, who have been the subject of an adjudication hearing pursuant to the type of situation about which I asked the Prime Minister, are apparently still carrying on the same type of activity that prompted the investigation in the first place and that no report has yet been released concerning the results of the adjudication? This involves a firm called Meridian Marine Limited and another called Mercator Marine Limited. Can the minister assure the House that he will check into the situation in due course and undertake that the matter will be looked after diligently?

Hon. Jean Marchand (Minister of Transport): I do not know how the hon. member can say they have continued this type of activity when it was decided that they should resign from the company many months ago—three of them. One kept on until he decided to resign. As the hon. member knows, this question is before an adjudicator, and I think the situation has been handled very properly by the department.

Mr. MacKay: For the minister's information, the company is still listed in the current directory in the Toronto area and the wife of one of the people involved is still doing business in the basement of a house owned by one of these captains—

Some hon. Members: Order!

Mr. Speaker: Order, please.

Mr. Marchand (Langelier): Perhaps they have not printed a new directory.

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UNEMPLOYMENT INSURANCE

REQUEST FOR STATISTICS ON NUMBER OF RECIPIENTS CHEATING COMMISSION AND INFORMATION ARISING FROM COMPREHENSIVE REVIEW

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to address a question to the Minister of Manpower and Immigration; I am glad to see him back. I do not know where he was, but I suppose he was trying to determine how he should bring in the new amendments to the Unemployment Insurance Act. In a recent speech to the Canadian Construction Association the minister, while expressing alarm at the tendency of some people to cheat or rip off the Unemployment Insurance Commission, indicated he had no knowledge of how widespread such tendency was. In order that the Canadian people might be aware of the facts involved, would the minister be prepared to table any statistics he has available which were used as the basis of his speech so we can determine for ourselves the extent of his alarm?

Hon. Robert K. Andras (Minister of Manpower and Immigration): If the hon. member had referred to the full context of my speech he would have noted that I also expressed concern about the possibility of Canadians or others beating the tax system or the expense account system in submitting expense accounts to their employers. There is a whole range of these matters which I think should be of concern to all of us. As far as statistics are concerned, I think some have been used publicly and I shall be very glad to answer questions of that kind when my estimates are before the committee.

Mr. Alexander: Would the minister be prepared, when the amendments to the Unemployment Insurance Commission Act are introduced, to place before the House the findings of the comprehensive review that was mentioned in the Speech from the Throne in order that we who are concerned about this matter may formulate an opinion as to the validity, form and effectiveness of the proposed amendments?

Mr. Andras: I think the Speech from the Throne made it clear that the proposed amendments will be part of an ongoing process in the course of a comprehensive review which, in my opinion at least, will necessarily take some time since it should be carried out very carefully and thoroughly. For this reason the findings in their totality will not be available at the point in time at which the hon. member suggests they should be placed before the House.

Mr. Alexander: Surely the minister must be aware of some findings upon which he has based the proposed

amendments. My question is restricted to the amendments only. Surely the minister will allow us an opportunity to look at the statistics and findings with respect to the amendments only so that we may formulate an opinion as to the form and effectiveness of those amendments? Surely we are entitled to that.

Mr. Andras: I have no argument with the hon. member as to the wisdom of making the facts available to all hon. members and to the public. We intend to do that. We look forward to the opportunity to do that. The hon. member will be in a position to judge the amendments when they are presented to the House in the light of some of that information that we will be making available.

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GRAIN

SHORTAGE OF RAILWAY CARS TO MOVE GRAIN—COMMITMENT BY RAILWAYS TO MEET TARGETS—ABILITY TO MEET EXPORT CONTRACTS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the minister who reports for the Canadian Wheat Board. It is based on the statement by the chairman of the Wheat Board that the grain transportation picture is in such bad shape due to failure to provide sufficient rolling stock to move grain that there is a real risk that our dependability as an exporter will be called into question. Has the minister received any commitments from the railroads that they will make up the 17,000 cars by which they are short of their target since the beginning of January?

Hon. Otto E. Lang (Minister of Justice): We have received no commitment as specific as that, but the railways certainly hope to achieve their targets as quickly as possible. They have been under severe disabilities because of the much greater amount of snow than usual in the prairie region this year, as well as cold weather. I know hon. members appreciate that it snows every year, but this year it has snowed three times as much as it snows on the average and this has made a difference. Perhaps hon. members might at least begin to appreciate the problem when they note that the CPR, for instance, at this point in time last year had ploughed a total of 1,500 miles of track while this year they have ploughed 19,600 miles of track—

● (1130)

Mr. Speaker: Order, please.

Mr. Lang: —a ratio of about 13 to one.

Mr. Speaker: Order, please.

Mr. Gleave: Mr. Speaker, the minister may be surprised that it snows in Saskatchewan, but it is a fairly common phenomenon. Since the minister a few days ago said, when he was asked whether he had had any commitments from the railroads, that he was not satisfied with the commitments he has had, would the minister give the House the firm assurance that the situation to which the Chief Commissioner of the Wheat Board refers, namely, that we are in danger of losing our reputation for dependability and as people who are able to deliver what we produce, will not in fact happen and that we will be able to deliver right up to our export targets?

Mr. Lang: Again, Mr. Speaker, we are taking every possible step to ensure that this will be the case. We have created an emergency grain transportation committee to consider additional steps that can be taken to move grain more rapidly. The figures that the railways set as targets depended on a certain amount of cars and motive power being available and assumed a certain turnaround of those cars. We think that, by using the cars more effectively in the way they are loaded and in the way the grain is placed, we may be able to get a quicker turnaround and thereby exceed the original commitments of the railways allowing them to catch up on the backlog that exists. That is our purpose and objective and, as usual, this government stands ready to take any step it can to make sure that these targets are met.

Mr. Speaker: Order, please. There are four or five hon. members seeking to ask supplementaries on this subject and we might go on for a long time and I wonder whether that is what hon. members want. The hon. member for Cape Breton-East Richmond rises on a question of privilege.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of privilege respecting the last statement of the Minister of Justice about the way the government intends to do things. I ask him this question once again. I have been pursuing the same matter for six years and I am asking for nothing that has not been approved by way of legislation. Would he take another look at section 18(a)(1) and (a)(2) of Bill C-135 and read the last sentence—

Mr. Speaker: Order, please. The hon. member rose on an alleged question of privilege and referred to a statement made by the Minister of Justice in answer to another question. I very much doubt whether that is in order. Now that the hon. member has made his point, I would appeal to him to allow the Chair to return to the question period.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, my point of privilege is based on the statement made by the Minister of Justice which is not factual. I again ask him to compare section 18 (a)(1), section 18(a)(2), section 28(1)(e), and the summary put before the government by the Cape Breton Development Corporation, the last sentence of the second paragraph, and compare that—

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Regina-Lake Centre.

SHORTAGE OF RAILWAY CARS TO MOVE GRAIN—ACTION TO ACQUIRE MORE LOCOMOTIVES AND ROLLING STOCK

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a supplementary question to the Minister of Transport relating to the question asked earlier by my colleague from Saskatoon-Biggar. In view of the fact that both our national railroads, every year for the last number of years, have reported that their inability to meet grain

movement is due to a shortage of locomotive power as well as a shortage of boxcars, would the minister tell the House what action he is taking to have both railroads place a higher priority on acquiring additional locomotive power, and would he give consideration to having the next CNR financing bill make provision for additional funds to enable the Canadian National Railways system to acquire locomotives and rolling stock to meet the transportation needs of the country?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am trying at this moment to exercise all the pressure I can on the railways in order to get rail cars and locomotives. I have been partly successful, though I do not receive the co-operation I should receive. I shall be speaking this afternoon on this question and perhaps the hon. member will be satisfied with my answer.

Mr. Speaker: The Chair will recognize the hon. member for Vegreville on a supplementary and the hon. member for Skeena on a supplementary and then we will go on to the next question.

SHORTAGE OF RAILWAY CARS TO MOVE GRAIN—ACTION TO ACHIEVE BETTER UTILIZATION OF EXISTING ROLLING STOCK

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is to the minister in charge of the Canadian Wheat Board. May I ask the minister whether he has looked into the very large number of boxcars that have been sitting idle on various sidings recently throughout western Canada, which results in very inefficient utilization of rolling stock, and what action has the minister or the government taken to provide for better utilization of the rolling stock the railways now have?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we have naturally looked into this question, but this is a human operation and occasionally it does appear that something better could have been done to make more efficient use of cars. But the fact remains that, while hon. members may not see the consequences, when there is as much power being used to plough snow from the tracks as is being used this year compared with other years, this power is not available to collect cars, bring them to the main lines and assemble them into trains. This is the real problem, and lack of power has caused the problem. In addition, the high levels of snow have resulted in more than the usual amount of power being put out of action through snow getting into the motors; this has been a problem as well. I am not trying to defend the railways and I am not saying that they have operated in a perfect manner—

Mr. Speaker: Order, please. The hon. member for Skeena, following which the Chair will recognize the hon. member for Lotbinière.

Mr. Frank Howard (Skeena): Mr. Speaker, that was a snow job if ever I heard one. May I direct a supplementary question relating to the shortage of railway cars to the Minister of Transport. Intrigued though we are by the minister's forthcoming declaration, inasmuch as this problem of national rail transportation has been with us for many months and the government has been unable to cope with it, would the minister seek out among his colleagues the prospect of establishing a national rail transportation system to cope with the situation that exists all across Canada, instead of trying this patchwork approach of pleading with bodies like the CNR and CPR to do something about it?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will surely fight for this purpose.

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[*Translation*]

URBAN AFFAIRS

INQUIRY AS TO LEGISLATION ON RAILWAY RELOCATION

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of State for Urban Affairs.

In view of the importance of the railway relocation project of the City of Victoriaville, can the minister say when he intends to introduce the announced legislation concerning this project?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I was just discussing this matter with the President of the Treasury Board so that the Minister of Transport and I can table it at the earliest possible convenience.

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GRAIN

SHORTAGE OF RAILWAY CARS TO MOVE GRAIN—REQUEST FOR APPOINTMENT OF BOXCAR CONTROLLER TO DIRECT ASSIGNMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Transport. In view of the fact the railway companies make far more profit from shipping products other than grain and therefore, regardless of snow, lack of power or other excuses, they invariably place grain shipments in a secondary position, will the minister, in order to assure that we can keep up our contracts properly, give consideration to bringing in legislation to provide for a boxcar controller having power to direct the railway companies to provide cars to areas of the economy requiring cars, with failure to do so subject to a heavy penalty? If you do not do that you will never get anything.

● (1140)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I already have in my notes for a speech this afternoon reference to a concept along those lines in order to have some way of monitoring rail and hopper cars. I will be happy to discuss this concept further because I think we will have to do more and a better job in that field in the future.

FISHERIES

ALLEGED FISHING BY SHIPS OF SOVIET UNION ON HAMILTON BANKS DURING SPAWNING SEASON—DEGREE OF SURVEILLANCE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Minister of Fisheries having to do with marine resources. Bearing in mind that Hamilton Banks is the main spawning ground for the inshore fishery off the northeast coast of the eastern part of Canada and that the months of January, February and March make up the spawning season for this great marine resource, would the minister indicate whether it is a fact, or perhaps I should ask whether he can confirm, that there has been a substantial increase in fishing activity involving that marine resource, especially by the Soviet Union, during the present spawning season, and can he indicate whether his department has increased surveillance of this resource during this period?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I can confirm that the department is devoting more resources to this matter, but I cannot confirm that the Soviet Union is increasing its fishing pressure in that area.

Mr. Lundrigan: It seems contradictory if there is more surveillance that the minister cannot confirm that there has been an increase in fishing activity. May I ask whether he has taken the position that all nations of the world, including Canada, should refrain from fishing the marine resources on Hamilton Banks during the spawning season as this happens to be the main resource body for the northeast coast fishery and, more importantly, has he communicated that kind of governmental policy decision to the various countries, including the Soviet Union?

Mr. Davis: Mr. Speaker, information on this subject is being collected and it will be supplied to other member countries at the next meeting of the International Commission of the North Atlantic Fisheries.

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IMMIGRATION

ARREST OF DEPARTMENTAL OFFICER—ALLEGED UNDERGROUND RING BASED IN MUNICH—REQUEST FOR PUBLIC INQUIRY

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Recently an official of the Department of Immigration was arrested for forging immigration permits, and today it is reported from Newfoundland that immigration authorities there suspect an underground immigration ring based in Munich, Germany. Will the minister now order a public inquiry to clarify these serious charges?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in respect of the immigration officer who was charged with an offence, I think it is obvious that this resulted from certain allegations which caused the department to request the proper police authorities to investigate them. The matter is before the police authorities and will be before the courts, so it would be improper for me to make further comment. This is an indication, however, that where we do have evidence of wrongdoing we are prepared to act. With regard to the other matter the hon. member raised, at any given time there may be plans afoot in foreign countries to propose illegal immigration into Canada. Whenever this comes to our attention we do investigate and take the necessary action, but I do not think this calls for a full public inquiry.

Mr. Beattie (Hamilton Mountain): Has the minister issued guidelines to his department that would tighten up immigration security and, if so, what is the general content of those guidelines? Has the minister undertaken specific measures to stop further issuance of false work permits to illegal and unqualified immigrants by officials of his department?

Mr. Andras: That is an ongoing process at all times.

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SPORTS

POSSIBILITY OF LEGISLATION TO PREVENT WORLD FOOTBALL LEAGUE ENTRY INTO CANADA

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in the absence of the Minister of National Health and Welfare I should like to direct my question to the Prime Minister. While supporting the attempt by the Minister of National Health and Welfare to protect the economic viability of the Canadian Football League and his fight against the proposed World Football League expansion into Canada, I should like to ask whether the government intends to introduce legislation at an early date to provide a legal basis rather than merely a persuasive one in respect of future attempts of this kind?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at this stage the decision has not been taken to use legislation, but I repeat that the minister's stand is one which the government supports and we will take whatever means are necessary.

Mr. Rose: Mr. Speaker, it may be difficult for the Prime Minister to answer my supplementary question, but it will get into *Hansard* and perhaps the Minister of National Health and Welfare can take it as notice. If legislation is anticipated I should like to ask whether the minister or the government contemplates an amendment to some existing act or a brand new bill to handle this particular situation in commercial sport?

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THE MINISTRY

NATURE OF POSSIBLE CHANGES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, on behalf of hundreds of my constituents I should like to put a question through you to the right hon. Prime Minister. It involves his next cabinet shuffle. I should like

to ask the right hon. gentleman whether he has consulted recently with members of the New Democratic Party, and will he be soon naming them to the federal cabinet?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I doubt that a question asked in those terms is in order. I am sure the hon. member will appreciate that.

Mr. Grafftey: Let me reword my question, Mr. Speaker. In view of the fact that during the last 16 months Canada has been governed by a majority Liberal-Socialist coalition government, is the Prime Minister soon going to name NDP members to the federal cabinet? I ask this question on behalf of many serious Canadians.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not plan a shuffle for the immediate future, but I would gladly entertain suggestions from the hon. member as to possible candidates for various posts in my cabinet. Perhaps there are even some good Liberals in his party who would support good federal legislation. He might want to include his own name in any shuffle that I would make.

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FISHERIES

SUGGESTED AMENDMENT OF HADDOCK QUOTA TO PREVENT WASTE AND ENABLE FISHERMEN TO EARN LIVING

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct an urgent question to the Minister of Fisheries. In view of the fact Nova Scotia fishermen operating out of the port of Lockeport are presently throwing back into the sea anything in excess of 5,000 pounds of prime haddock per trip and are still being fined by the federal government for exceeding the haddock quota as set under ICNAF regulations, will the minister re-examine and amend his order in council of January 15, 1974, in the hope of preventing this excessive waste of high quality food and at the same time enable our fishermen to earn a living in the fishing industry?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, this is a difficult problem. Haddock have been badly overfished by foreign nations. We have an international agreement as to quotas and Canadians cannot take more than their quota if we are to live up to enforce quotas on other nations. We are concerned about this problem but we do not intend to revoke the order alluded to.

Mr. Crouse: In view of the plight presently faced by Canadian fishermen and their inability to go to sea and make a living, will the minister inform the House what these fishermen are to do with their haddock catch in order to avoid paying fines to the federal government when the incidental catch exceeds 5,000 pounds per trip?

Mr. Davis: Mr. Speaker, haddock have been badly overfished so Canadians, among others, must take other fish in order to earn an income. Over-all fishing income on the east coast is up a third from last year, so the hon. member is misinforming the House when—

[Mr. Grafftey.]

Mr. Crouse: Would the minister please answer my question? Fishermen in Nova Scotia are urgently awaiting an answer right now.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Crouse: Mr. Speaker, I am sorry, but on a question of privilege—

Mr. Speaker: Order, please. The hon. member wishes to rise on a question of privilege. I will recognize the hon. member in a moment, but I remind hon. members that we are now reaching the end of the question period and I would hope that we would try to have a few more questions before calling orders of the day.

Mr. Crouse: Mr. Speaker, the fishermen in Nova Scotia at the present time are facing a very urgent problem. They are unable to go to sea and keep their catches within the quota set by the order in council passed by the government on January 15. Unfortunately the haddock cannot read even though they travel in schools, so the fishermen are catching in excess of the quota. If they dump them back into the sea, they are polluting the water under the Environment Act and if they dump them on the land they are polluting the air. I asked a simple question and I hope the minister will give me an answer. What are the fishermen to do with these extra fish?

● (1150)

Mr. Speaker: The hon. member has restated the question. He is not satisfied with the reply given by the minister. I respectfully suggest to the hon. member for South Shore and all hon. members that the device of a question of privilege cannot be used to restate a question a second time. If the minister wishes to reply to the restated question I have no objection.

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GOVERNMENT ADMINISTRATION

USE OF OUTSIDE CONSULTANTS—GOVERNMENT INTENTION RESPECTING ISSUANCE OF GUIDELINES TO CONTROL EXPENDITURE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the President of the Treasury Board. As the cost of outside consultants to the government is in excess of $750 million a year and has increased by more than $400 million during the last five years, is it the intention of the government to issue guidelines in the near future in an effort to control this excessive and very heavy expenditure paid for by the taxpayers of Canada?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, we already have guidelines seeking to achieve just this. The guidelines in effect provide that outside advice should be sought in preference to constructing permanent staff to provide inside advice. I hope the hon. gentleman is not suggesting that the government should not seek advice but should proceed without it.

Mr. Hees: Mr. Speaker, would the minister not agree that with the number of new top level public servants this government has taken on in the past few years there should be enough people to give the government the type of advice it needs without these excessively high expenditures?

Mr. Speaker: Order, please. I suggest that is obviously argument. The hon. member for Trinity.

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INDUSTRY

LAY-OFFS BY AUTOMOBILE COMPANIES—GOVERNMENT PLANS—POSSIBLE CONVERSION OF MORE CAPACITY TO SMALL CARS

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. In view of the substantial lay-offs in the auto industry, especially in the Windsor area, can the minister say whether the government has any plans to relieve the situation?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, as the hon. member mentioned, there is no question but that the automobile industry is in for a difficult year primarily because of the reduction in purchases and sales in the United States. I can say, however, that the Canadian operation is still optimistic. Indeed, sales of Canadian-made North American vehicles in Canada are up this year over last year.

Mr. Hellyer: I have a supplementary, Mr. Speaker. Has the department undertaken any studies to determine whether or not it would be advantageous to convert additional Canadian capacity to the manufacture of small cars and engines for small cars and, if so, have there been discussions with the industry in this regard?

Mr. Gillespie: Mr. Speaker, there have been consultations with the industry on a fairly continuous basis. Quite clearly, one of the advantages that Canadian auto production has today is that it is more heavily weighted toward small and middle-size vehicles than is the case in the United States.

Mr. Hellyer: Will the minister undertake to visit Washington within a few days in order to brief Senator Long and others concerning the facts of the auto pact so that congressmen and senators will not, on the basis of false information, exert undue influence on the U.S. auto industry that would be detrimental to Canadian interests?

Mr. Gillespie: Mr. Speaker, we will take whatever steps we can to ensure that the members of that committee understand Canada's position.

Mr. Speaker: The hon. member for Burnaby-Richmond-Delta.

Mr. Crouse: Mr. Speaker, I rise on a question of privilege. Although I did not hear the words because of the noise on the other side of the House, I am informed by my colleagues that the Minister of Fisheries when I put my question to him a moment ago, stated that I was misleading the House. If the minister said that I must ask for a retraction because the facts I stated are as they stand at the present time in Nova Scotia with relation to the regulations imposed upon Canadian fishermen by the Canadian government. I am not misleading the House and I therefore ask the minister to retract that allegation.

Mr. Speaker: The hon. member knows the rules very well. We have heard this hundreds of times over the years. The hon. member has heard it. We all know it is not unparliamentary to suggest that another member has made misrepresentations or has misled the House. What is unparliamentary and has been ruled on very often is to suggest that it was intentional, wilful—that kind of concept. When a minister or a member tells another member he has misled the House, I am sure there is no suggestion that the statement should be withdrawn. According to the rules, at that point it becomes a matter of debate between the two members concerning who is right and who is wrong. A matter of debate cannot be the basis for a question of privilege, as has been ruled quite often in the past.

Mr. Crouse: Mr. Speaker, if the Minister of Fisheries is a gentleman, I feel certain he will withdraw that allegation.

Mr. Speaker: Orders of the day. Is the hon. member for Skeena rising on a point of order?

Mr. Howard: Yes, Mr. Speaker.

Mr. Speaker: I apologize to the hon. member for Skeena. I believe the hon. member for Gander-Twillingate wishes to rise on a question of privilege and perhaps he should be given precedence. I will come to the hon. member for Skeena and all the other points of order in due course.

Mr. Lundrigan: Mr. Speaker, first of all, every time I rise on a question of privilege involving anything to do with fisheries I know it lacks the sex appeal of matters like energy, boxcars and grain. Perhaps this is one of the reasons I am rising on a question of privilege. It must be obvious to Your Honour and all members of the House that there is something really rotten in Denmark when reasonable members—even if hon. members might point a finger at me as once in a while being unreasonable—have to stand in their places and almost abuse the rules of the House in order to elicit information and represent our people in the marine parts of this nation.

Approximately a year ago a number of members rose in the House and presented to Your Honour two points of view. One was in respect of the question period generally speaking, that is, the length of the question period. There were many representations made concerning amendments. The second was the responsibility we felt we had as members to ensure that the frontbench members of the government were answerable each day to legitimate questions asked by members of the House of Commons in view of the fact that this is the only procedure available to us in an attempt to hold the government responsible to the Canadian people.

Today we have had a representation by the hon. member for South Shore in respect of fisheries that was totally

ignored. It received no response. Earlier today I made a representation to the minister concerning the Hamilton Banks. There is not a member of the House of Commons who knows about the Hamilton Banks. It is a billion dollar resource but it does not have sex appeal. The minister knows that today the Soviet Union is out there in abundance raping this resource.

Mr. Speaker: Order, please. The hon. member is making a speech on fisheries. We will be engaged in the throne speech debate in a few moments and I would suggest that would be the time to make the kind of speech the hon. member is making now. I cannot for the life of me see how there is a question of privilege which should be ruled on by the Chair at this time.

Mr. Lundrigan: Mr. Speaker, we do not have a throne speech every day and members do not have the right to participate every day, but we do have the right to raise questions. I raised the question whether the minister was aware of the fact that there was an increase in activity by the Soviet Union and he indicated he was not aware. I asked him whether there was any increase in the surveillance on Hamilton Banks and he indicated there was an increase. The information I have is there has been a decrease in surveillance in 1974 on the Hamilton Banks.

Mr. Speaker: Order, please. Would the hon. member resume his seat. I respectfully suggest to the hon. member that he should give the Chair an opportunity to rule on the question of privilege. This is a basic to the debates of this House. The hon. member has a right to rise on a question of privilege, indicate what his point of privilege is, and give the Chair an opportunity to make a ruling, but not to go on at length into the substance of the matter which gives rise to the alleged question of privilege. I would urge the hon. member to let the matter rest. He has made a point which, to my way of thinking, relates more to debate than to privilege. I have taken note of this point, particularly with reference to the question period. Perhaps the hon. member would like to leave it at that and give the Chair an opportunity to reflect on the matter further.

● (1200)

Mr. Lundrigan: To summarize my remarks, Mr. Speaker, the point I was trying to make is that the question period we had today—

Some hon. Members: Order!

Mr. Lundrigan:—because of the time limit, because of the numerous rules we have to adhere to, and because of the types of responses we are getting from the government front benches, has been such a totally inflexible, totally rigid question period that members have had no chance to elicit the kind of responses for which they are looking. I think too much emphasis is placed on the rigidity of the rules rather than on the rights of the Canadian public.

Mr. Speaker: I do not think I should be required to make a ruling, but if I may make one brief comment it is that I certainly do not think, from my humble experience in the House, that the rules are rigidly enforced during the question period. As a matter of fact, I would think it is just the opposite case.

[Mr. Lundrigan.]

Mr. Howard: Mr. Speaker, I want to raise a question of privilege in a similar way, and I appreciate the difficulty Your Honour is in when dealing with matters of this nature. What the rules do provide is an opportunity, as was exhibited today on two occasions, for cabinet ministers if they so desire, without any opportunity for a countervailing or counterbalancing position to be put forward, to give false and misleading information to the House and to the country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Howard: I specify two instances. They relate to the Minister of Corporate Affairs in responding to questions which were posed earlier. On one occasion he made reference to somebody called the chairman of the Restrictive Trade Practices Commission. That is an inaccurate statement. There is no chairman. There has been no chairman since May, 1970. For the minister to try to substitute the title "chairman" for somebody who is an acting chairman is false information given to this House and the country.

The second bit of false information he gave the House was that the Restrictive Trade Practices Commission is in a supervisory capacity with respect to the Combines Investigation Branch operating under the Combines Investigation Act. That is simply not true and is not an accurate statement.

Whether such information is given because of a lack of understanding of the situation, which I can fully appreciate with the Minister of Consumer and Corporate Affairs, or whether it is given in an attempt to sort of fob off a serious question, somehow an opportunity should be provided to present a contrary opinion or position. But no such opportunity is provided under our rules no matter how generously they are enforced by Your Honour.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, my point of order has been adequately covered by the questions of privilege and points of order raised previously, but it deals with the question period and the responsibility of the ministry, and only of the ministry, to answer questions.

If for some reason a minister finds himself doing government business outside Ottawa I have no objection to that, but it is the responsibility of the government to have an acting minister and to do away with the practice of having non-cabinet ministers, in other words, parliamentary secretaries, answer for the government. This is certainly not their responsibility and it is not covered in the rules. Further, I realize that when I put a question to any member of the cabinet he is not required to answer that question. But when he does answer he is expected to answer the question accurately and honourably, and that has not been the case.

Mr. Reynolds: Mr. Speaker, you recognized me before all these points of order were raised, and I wonder if I could still ask my question.

Mr. Speaker: That was a long time ago, and as the question period expired some 10 or 12 minutes ago I think we ought to go to orders of the day.

SPEECH FROM THE THRONE

[*English*]

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Wednesday, March 6, consideration of the motion of Mr. Stollery for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Hugh Poulin (Ottawa Centre): Mr. Speaker, before the adjournment yesterday I had made some remarks with respect to matters of a local nature that are of concern to the government and matters of concern to the government nationally. I would now like to comment briefly on some of the remarks made by the hon. member for Saint-Hyacinthe (Mr. Wagner), whose speech I listened to yesterday with great interest. He referred to a story during his speech. My recollection of that story is that it had its origin with an Irish Boston politician who said, "These are my principles and policies and if you don't like them—well, I have others."

The hon. member for Saint-Hyacinthe entered the House with a reputation, unexcelled by any other member, for his commitment to law and order as a prosecutor, as a judge, and as a minister of justice for the province of Quebec. However, it was not long before he, like the Irish Boston politician, reverted to other policies and principles.

Both in the House and in committee he supported the 90-day notice provision inserted in the Protection of Privacy Act which provision, I fear, will greatly restrict the investigative powers of the police in their efforts to control criminal activity. In his speech the hon. member for Saint-Hyacinthe also made reference to what he termed "the Liberal-NDP charade." May I point out that the NDP support has been for good Liberal policies which have resulted in good laws for Canada—some 50 pieces of good legislation.

Some hon. Members: Hear, hear!

Mr. Poulin: Of equal significance is the fact that when the Conservative opposition joined with the New Democratic party, for whatever reasons, the product of that union was the 90-day notice provision which in fact places a fire alarm bell in the offices of organized crime, warning them that law enforcement agencies are investigating their criminal activities. The result of that union produced an illegitimate section in what is otherwise a worth-while piece of legislation.

However, Mr. Speaker, I must agree with the hon. member for Saint-Hyacinthe when he says that politics, if they are to have any meaning today, must be synonymous with integrity, honesty and responsive government. The word "politics" has gained many unsavoury connotations in recent months. The events surrounding Watergate in the United States have had a deep effect on the faith of the American people in their government, on the integrity of politics, and on the credibility of politicians in general. These effects have spilled over into Canada.

We all have a responsibility to restore politics to its place as a respectable and respected profession in the eyes of the public. Politicians themselves must ensure that they are honest, not only in fact but in every facet of the appearance of their actions. The fact that the authority of the government is no longer automatically accepted, especially by younger people, is not in itself an unhealthy attitude if it results in people taking a more active interest in their government.

There is another area of concern to me on which the throne speech was silent. I had hoped that included in it would be an announcement of forthcoming changes in the Narcotic Control Act regarding commercial trafficking in heroin and other similar hard drugs. This is an area which is becoming more and more of a concern to Canadians. The illicit commercial trafficking in hard drugs is becoming more and more of a threat to the health and well-being of Canadians. This problem continues to grow and is one of the major social concerns facing our nation.

My research indicates that the domestic illicit heroin problem is the most serious of our multi-drug problems. The number of persons addicted to heroin in Canada has continued to increase. It is now estimated that there are between 16,000 and 19,000 persons using this drug in our country. If we go back in the chain of supply, inevitably we must find that those who are using heroin, and who are the unfortunate captives of this addictive habit, have been supplied with their drug, and in many cases induced to become users of it, by those whom I would term commercial traffickers in heroin.

● (1210)

For purposes only of my remarks at this time, Mr. Speaker, I would define a commercial trafficker in heroin as one who sells a quantity of heroin, for example, 250 grams, which is equal to eight ounces or half a pound and has a current street value of $100,000. Such traffickers are clearly and without doubt in this most reprehensible criminal activity for the sole motive of profit, greed and avarice. Such traffickers stand to double or triple their investment and we can easily see that the profits are indeed high. I believe that we must impose the most severe and stringent sanctions on such criminal activity so that those who seek to gain such high profits will, if convicted, be assured that the Canadian people, as represented by parliament, will also extract a high price by way of a minimum penalty of imprisonment without parole. I strongly recommend that, in order to deter this criminal activity and to protect society against this most reprehensible crime, the government should amend the Narcotic Control Act to provide a minimum term of imprisonment of seven years without parole for anyone convicted of trafficking in heroin or possession for the purpose of trafficking in the amount I have mentioned. It may be that parliament, upon examination of my proposal, would see fit to define a commercial trafficker as one who would traffic in, for example, two ounces of heroin which now has a current street value of $25,000. I point out, Mr. Speaker, that one ounce of heroin has a street value of $12,500 while the current value of one ounce of gold is $160.

On September 1, 1973, new drug measures went into effect in the state of New York, just 60 miles from our seat of parliament. There, for example, a person trafficking in one ounce or more of heroin is liable to be sentenced to a minimum term of imprisonment of 15 years, with a maximum of life. While a minimum term of imprisonment is

repugnant to me generally, and there are very few such penalties remaining in our system of criminal justice, commercial trafficking in heroin is such a heinous crime that I feel it is the duty of parliament to take all the steps it can to deter commercial traffickers and thereby protect society. Those persons who would dare traffic could not do so while in prison.

Commercial trafficking in heroin might better be compared to those criminals responsible for the Lode airport massacre in Israel, the Munich massacre at the 1972 Olympic games or, indeed, if sabotage was involved, the tragic deaths of 344 people in the recent Paris air crash than to a single murder or multiple murder committed in the course of a robbery or a murder committed by an individual under any imaginable circumstances, for the trafficker in heroin leaves his many victims as unfortunate pitiful slaves to a habit that destroys them mentally, morally and physically.

I will quote now from a transcript of the evidence given at a trial by an eminent pharmacologist who holds a Ph.D. and many other high degrees. In addition, at the time of giving this evidence he had 12 years of practical experience in the drug field. His comments on the long-term and immediate effects on an individual of the use of heroin are as follows:

> So far as immediate effects in terms of depression of respiration, and depression of heart action; constriction of the pupil of the eye; depression of intestinal movement. Those effects are less apparent in some ways than the behavioural effects, which relate to a lassitude, a languor, almost a stupor; a feeling of well-being, a feeling of comfort and loss of anxiety. That pleasurable feeling is, in fact, one of the reasons that the heroin user returns to the use of the drug.
>
> In the long range, there are additional kinds of effects because heroin use is characterized by two phenomena; the development of tolerance and the development of dependence. The tolerance means that the user has to increase the dose to get the same kind of effect. So that an habitual heroin user will take many time the dose of heroin which would be toxic or perhaps fatal to someone who was not used to taking it. The dependence on the drug is of two kinds: one is a profound craving for the drug, a psychological dependence, which comes to the point of actually mastering the total lifestyle of the user, such that he lives for the drug-taking experience. His whole life experience revolves around the drug-taking and all that he does centres upon an attempt to make certain that he always has the drug in his presence or available to him for his use.
>
> There is, however, a physical dependence which develops for the drug as well. That we know because if you take heroin away from an addict, within a few hours' time he will begin to show the symptoms of withdrawal. In effect, his body cries out against the removal of it—the drug. The withdrawal symptoms include such things as an appearance, almost, of a heavy cold, with running eyes, running nose, the person aches all over; his joints ache, his belly aches; he has stomach cramps, intestinal cramps and sometimes he has unavoidable defecation; he feels absolutely miserable. This lasts for a couple of days in its most acute form. By seven or eight days it is nearly over with, but during that time he feels acutely uncomfortable. Most people who have been involved with heroin and when the drug is taken away, they all go through this withdrawal, but most of them, if left to their own devices, so profound is their psychological dependence on the drug that they will go back and seek the drug again. So the recidivist rate, the percentage of people who voluntarily go back to the use of heroin, when they have been taken off the drug is, even in the best of treatment institutions, 70 or 80 per cent.
>
> All in all the life expectancy of a heroin user is considerably less than that of normal people.

With respect to the usefulness of a heroin user to himself or to society and the possibility of his returning to a productive life in society, the following evidence was given by the same man:

> There is no doubt that the social productivity of heroin users is markedly decreased. Their total lifestyle revolves around the drug. When they are on the drug, they do not want to work; they have a lassitude and a languor about them, almost a stupor; they are not really interested in productive employment; they become a great strain on themselves and their family and society. The number who are able to break away from that is relatively small, even under the best treatment or circumstances most return voluntarily to that kind of a lifestyle.

I have here some interesting statistics involving heroin and its abuse in Canada. In 1969 there were a total of 310 convictions in Canada involving all offences with respect to heroin. In 1972 there were 923 convictions registered with respect to heroin offences in Canada. This is a most alarming comparison. Another most significant statistics with respect to heroin is that in the entire year of 1972 there were 52.94 kilograms—116.56 pounds—seized, whereas in the first nine months of 1973, that is, from January 1, 1973 to September 30, 1973, there were 63.72 kilograms—140.18 pounds. That is an increase of approximately 20 per cent in the first nine months of 1973 over the amount seized in the previous 12 months. Comparing the same period, the number of persons charged with trafficking in heroin in the entire year 1972 was 958, whereas in the first nine months of 1973 the total number of persons charged with trafficking in heroin was 645.

As I stated earlier, the number of people addicted to this drug has been estimated to be between 16,000 and 19,000. The number of convictions for offences involving heroin shows a tremendous increase between the years 1969—310—and the year 1972—923. The amount of this illicit substance seized, comparing 1972 and 1973, shows a remarkable increase and the number of individuals charged with trafficking has also been on the increase.

● (1220)

By virtue of the present penalty provision of the Narcotic Control Act a person convicted of trafficking in a narcotic, whether it be cannabis or heroin, is subject to the same penalty, that is, a maximum of life imprisonment. There is, however, no minimum penalty provided presently in the Narcotic Control Act, whether the offence be in relation to trafficking in cannabis or to trafficking in heroin. The minimum penalty in either case, for either substance, is a suspended sentence.

I have the greatest respect for the judges in our country who have in most instances been imposing severe sentences, justifiably so, in the case of those who are found guilty of trafficking in heroin. My recommendation for a minimum sentence of seven years for anyone trafficking commercially in heroin is designed not to take from the judge that discretion, although it would have the effect of doing so, but more to impress upon those who would dare to traffic in this substance the determination of this government and this Parliament to deal with them in the most severe manner in order to deter this trafficking and to protect society. I would also propose, if a person is convicted, for example, of trafficking in four ounces of heroin as I mentioned previously, that the judge, having regard to all the circumstances including the previous criminal record of the person convicted, if any, continue to have the discretion to sentence the person to life imprison-

ment. The greatest weapon we have to interrupt and suppress the illicit traffic in this most reprehensible drug is the diligence and honesty of domestic law enforcement, coupled with the most severe penalty for those who would trade in human life in this way for the sole motive of greed, profit and avarice.

A little more than a year ago, Mr. Speaker, we had a throne speech that marked the beginning of some 50 pieces of legislation. This is to be noted because all the pundits at that time were predicting that the government would last for only a matter of weeks, if not days. That session ended, having lasted 203 sitting days. Last week we had another throne speech. In the coming months we will be able to look back on this debate as the beginning of more progressive legislation as long as the majority of members continue to support good Liberal policies such as we have seen defined in the recent throne speech.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I was very interested in the remarks of the hon. member who just sat down because for the last two or three years I have been asking the government of Canada to appoint a royal commission to look into international crime, which includes to a large extent the importation into Canada of those dangerous drugs to which the hon. member referred. I hope that he will now become an ally. Up to now the government has paid little attention to a problem that is serious beyond words. At the same time, I want to say a word about the CBC commentator, Mrs. Trudel, who has dealt with this matter at length on her program. On one occasion last fall I heard her mention how widespread and open trafficking was in this immediate area. Apparently, as a consequence of what she said, the RCMP within the last two weeks picked up a large number of alleged wrongdoers.

At a time like this it is always difficult for one to find subjects on which to speak. The House is waiting for the final vote which will come at the end of this debate but which is of little consequence because, once the amendment of Her Majesty's Loyal Opposition—not the official opposition but the opposition—has been turned down, we pass into an area of little or no interest.

I commend the government for its decision to endeavour to make Parliament more effective and representation more equal, for bringing about changes in redistribution so as to assure that large areas of our country with small populations will continue to enjoy a reasonable representation in the House of Commons. I brought this matter up originally, and all parts of the House responded with that degree of desirable co-operation which I have always found to be worthy of notice.

That brings me to this point, Mr. Speaker. Parliament, as operated today under the Prime Minister (Mr. Trudeau), is not effective. It is a caricature of what it ought to be. The opposition should place before the people of Canada this fact: we will reform Parliament. We did that in 1956 and 1957. We brought about changes and the people of Canada understood what was happening, because before then the previous administration had been totally disregardful of any views expressed by members in other parts of the House.

Today two members, by way of privilege, raised the issue of questions asked in the House. I have been here for some time. You, Sir, are simply tied up by the rules, many of which were forced through under closure by the majority sitting opposite.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: One dare not challenge anything ministers say when they give their truncated answers because, as several hon. members have mentioned, by doing so one would introduce controversial matters. How do you answer controversial matters which may have arisen in a minister's statement except by following up with a supplementary question which may be controversial? What I am leading to is this: There must be a reform of our rules which, today, have placed Parliament in the position of being an adjunct, a necessary adjunct.

As for the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member noted in the House of Commons for his wisdom and warmhearted personality, I have noticed lately that even his warmhearted personality has shown some signs of flagging. He is not in the position of being able to move amendments any more. He cannot do it. He is the authority in the NDP on amendments and on Parliament, but he dare not do anything. Why? Because, if he moved an amendment with the accustomed wisdom that he used in the past, the government would be defeated. It is difficult to express how much Parliament has lost in consequence of the present situation.

Does this House, as presently constituted, discharge its responsibilities? Have we any examination today of expenditures? There is virtually no examination. The No. 1 responsibility of Parliament is to look after supply. What has happened? I knew, when I was Prime Minister that ministers would be concerned about the fact that certain programs would be brought up in the House. You will always have that concern on the part of ministers. Today, you cannot bring those matters up, no matter how wasteful the expenditure or how unjust and improper. There can be no vote in the House of Commons on such items. Two years ago we were placed in the position of having to vote expenditures of $19 billion between eight o'clock and one a.m. Those were fabulous expenditures. Do you mean to tell me that if we could deal with individual items the spendthrift proclivities of the Prime Minister would not receive attention?

● (1230)

If anybody wants any information on the subject of those expenditures, I will render the fullest answer. Not even King Farouk expended to the extent the Prime Minister is doing today on 24 Sussex Drive, his offices and his country place at Harrington Lake. Waste, waste, in the hundreds of thousands of dollars! What can you do? You complain, but nothing happens. Amazing waste! Amazing spendthrift expenditures are being made. They have been revealed by two hon. members, the hon. member for Cumberland-Colchester North (Mr. Coates) and the hon. member for Leeds (Mr. Cossitt), but you might just as well spit at the moon to do anything effective regarding those expenditures. We have the highest taxation in Canada's history, the highest interest rates—

Mr. Marchand (Langelier): The highest income.

Mr. Diefenbaker: —and the highest cost of living. The government says: Look us over, we have something else to take the eyes of the people off these things. We have an oil crisis. What the Arab sheikhs did was a godsend to the Trudeau government.

Have hon. members noticed the attitude of the Prime Minister in the past few days? Everything indicates that he has an election in mind. What will it be on? Those awful pirates in Saskatchewan and Alberta. He is going to wrap himself in the garb of being the preserver of Canadian unity, something which has suffered more detrimental effects under him than under any other Prime Minister.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Taxation is going up. How many have complained about the fact that every employer and every employee in Canada are paying 40 per cent more in unemployment insurance premiums since January 1 this year? That was when the pockets really got picked in the tens of hundreds of millions. How many have spoken? Silence. Can you challenge it? Not as an individual item. I could go on setting out something of what is happening today.

The hon. member for Brome-Missisquoi (Mr. Grafftey) asked a question today. Some rather ridiculed it. I thought his first question was one that indicated he did not realize what was happening, but the second one was most effective and searching. The Prime Minister tried to brush aside a very, very unusual observation on the part of the hon. member.

The hon. member apparently found in his constituency that this wonderful alliance between the New Democratic Party and the government indicates what the NDP claims it is, the one that forces the government to act. They have become the paragons of political perfection. No matter what legislation the government brings in, who did it? "We did it", say the NDP with that becoming modesty that is being evidenced. Two minds but with a single thought! How do we survive together?

Some hon. Members: Hear, hear!

Mr. Diefenbaker: As a member from Saskatchewan I want to pay tribute to the Minister of Justice (Mr. Lang). He is not here, but I am sure this will be brought to his attention. I would like to have been at that meeting when the two philosophical and intellectual minds got together just after the election, the leader of the NDP and the Minister of Justice. Mind you, they did not discuss anything about unity. They did not discuss any relationship between them. Well, from now on the minister will be known as the cupid of political development, the first of a kind. He brought them together and it has been effective. However, and I am sorry to say this to the NDP, the Prime Minister has been disparaging of their contribution. The hon. member for Winnipeg North Centre would be able to quote the Scripture—whom the Lord loveth He chasteneth.

Some hon. Members: Hear, hear!

[Mr. Diefenbaker.]

Mr. Diefenbaker: That is what is happening today because the Prime Minister is trying to get rid of the NDP.

Prime Ministers must have holidays. This Prime Minister has had more holidays than all Prime Ministers since 1867.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): Shame!

Mr. Diefenbaker: I suggest that the hon. member look up the records. However, none has in fact been like the holiday like he had in Switzerland. I saw a picture of the Prime Minister. He was mounted on a bobsleigh built for one. It was the first time in a year and a half that he was by himself. He did not have to turn and say "David, which way do we go today?"

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): Bob, you have a long way to go.

Mr. Diefenbaker: The hon. member will be running the next election, if I know anything about it, as a "Liberalcrat" because he is a bit of a wit. I do not mind his interrupting from any seat because it is always very helpful.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for St. Boniface is rising on a point of order.

Mr. Guay (St. Boniface): Mr. Speaker, I would like to bring to the attention of the right hon. member that I paid him a compliment and nothing else. I said it would take a long time for the Leader of the Opposition (Mr. Stanfield) to come up to par with the right hon. member and I meant every word I said.

Mr. Diefenbaker: Mr. Speaker, an observation like that indicates the biased nature of the hon. gentleman. I find the Leader of the Opposition deals at great length with inflation in his speeches. Apparently the hon. member has not read the words of the Prime Minister of Canada on December 23, 1970. I keep a record of all these gems. He had just returned from abroad. These were his words:

● (1240)

It is obvious from the statistics the fight against inflation has been won. The government's anti-inflation performance has been unequalled by any country in the western world.

According to the *Canadian Press* dispatch, he went on to say:

Now the government has to deal even more vigorously with the twin economic evil, unemployment . . . There is a delicate balance between unemployment and inflation and the government has to be careful not to set off another round of inflation.

An hon. Member: Great sense.

Mr. Diefenbaker: Last night he was in Toronto and he spoke there to an audience of those who could afford to pay $75 to attend.

Some hon. Members: A hundred dollars.

Mr. Diefenbaker: Well, I am always Conservative.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: He revealed a great deal last night. He said: We are going after this problem; inflation has to be met. There is a new thing going around I am told. They call it streaking. Last night the Prime Minister (Mr. Trudeau) streaked. He appeared with all those garments of expectation, hope and political promise removed. All I have to say is that the Leader of the Opposition finally has a recruit in a government which up to the present has shown no sign whatever of doing anything effective to meet inflation.

What is one of the major reasons for inflation? It is overspending.

Some hon. Members: Right on!

Mr. Diefenbaker: There never were, in the history of Canada, three governments together which have spent so unwisely or so riotously as this government. Five years ago we had the third best inflation rate in the world. Today we are in sixteenth place. And why? Spending the people's money. Is there anyone opposite who will stand up and justify just one simple example? I could give yards of them, but one will suffice: the spending a year ago of $385,000 on flowers and plants for government offices and $105,000 to water and trim them. Is it any wonder the Prime Minister was chosen as flower boy of the year? I will not include you, Mr. Speaker, but every other person in the House I include. Have you visited the hallway in front of the Prime Minister's office?

An hon. Member: Beautiful!

Mr. Diefenbaker: Even the floor of the hallway is covered with that deep carpet. Between $60,000 and $80,000 was spent on trimmings in that place. And in Toronto last night he said the government was going to meet the problem of inflation. Mr. Speaker, there is waste on every hand. For three long years, every one of the ministers—and we are graced this afternoon by the presence of two of them in the House—

An hon. Member: Three.

Mr. Diefenbaker: One of them is the Minister of Transport (Mr. Marchand) who has the largest portfolio of all and the happiest disposition, though he does not like some English people in Montreal. Then there is the Minister of State in charge of multiculturalism (Mr. Haidasz). He has been spending right and left. And after all the promises made to people of various racial origin, what are they going to get? They will receive one-seventeenth of the total amount spent on biculturalism.

The Prime Minister used to say nothing needed to be done, that everything was going along well. Last night, like King Canute, up to his ankles, he said: We are going to do something. He got down to business and we can look forward to legislation which certainly is not covered in the Speech from the Throne. Apparently, some of the Liberal members have whispered to him that the stand taken on inflation by the Leader of the Opposition is the right one and that action is necessary.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The Prime Minister is touching all the bases. Three years ago he said it was the labouring people with their claims for high wages who were contributing so largely to inflation. But you can never follow the metamorphosis of the right hon. gentleman—yesterday, against the monarchy; today, for it. Ask what you would like to have, and it will be followed—figuratively speaking. But he has relieved labour of any responsibility. We farmers will come later on. Oh, here is the Minister of Agriculture (Mr. Whelan). I am glad he is with us because, if I have time, I want to deal with him. His demanding presence always deserves respect in the House.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: This is what the Prime Minister said:

> It is important to commend those whose performance has been responsible and restrained.

The opposition was not included in that.

> It is therefore appropriate at this time to destroy the myth that the cost of labour has been a dominant factor contributing to the present inflationary round in Canada.

The Minister of Agriculture has not expressed a similar view, but this is the official view now. Having slapped labour in the face for four years, the Prime Minister has suddenly decided that the responsibility for inflation is not theirs. He went on to say that it was not true that the average working man has caused excessive upward pressure on prices.

One of these days I am going to make a speech about all the criticism that was heaped on my head at one time, because some of the members opposite seem to have forgotten that we were in office. They seem to have forgotten the fact that in the period to which I am referring we enjoyed the lowest rate of inflation of any country in the world. How was it done? Simply by having a vociferous minister like the Minister of Transport. If word came that there were to be increases which we believed to be unjustified, the heads of those corporations were contacted and asked whether it was true. We inquired why, and very often they said it was because of increased costs. You would be amazed, Mr. Speaker, how quickly these plutocrats said, "We have not decided on the matter yet", when it was pointed out that if they did, an examination would be made under the Combines Investigation Act and if the increases were not justified they would be prosecuted. Today there is open season on the manner in which the Minister of Consumer and Corporate Affairs (Mr. Gray) and the other ministers, including the Prime Minister, look after inflation. It goes up, up, up.

● (1250)

The day before yesterday they saw the light. They followed the course followed by certain of my ministers and got in touch with the bread people. Yesterday the Minister of Consumer and Corporate Affairs was able to say that there would not be an increase to the four cents. Westons agreed to this the day before yesterday. Then the minister came out with the No. 1 government policy of all and told Canadians that if they did not cut down, boycott them, ignore them. There is the government's policy.

Mention has been made of the actual rate of inflation. Mr. St. Laurent was not a spendthrift. He did not waste the people's money or live in glorified greatness. Under his government the rate of inflation was 2.04 per cent. Under the government of Mr. Pearson the rate was 3.26 per cent. He never indulged in self-glorification. He lived in the home I lived in when I was Prime Minister and was most economical in office. Under my administration the rate of inflation was 1.4 per cent.

What is the rate today, Mr. Speaker? The average of this government has been at least 6.7 per cent. The government has done nothing but spend, spend, waste and tax, and then they wonder why the people are asking what can be done to control inflation. Everyone rushes to spend their money as fast as they get it so it does not lose its value.

Going back to 1971, after the Prime Minister announced that we had inflation beaten the rate stood at 1.6 per cent and by the end of the year had risen to 5 per cent. By the end of 1972 it was up to 5.1 per cent, in 1973 up to 9.1 per cent, and the rate today is 9.1 per cent. When is the government going to decide that the people's money should not be wasted? That is the simple question. But the government will not answer it because everyone is engaged in spending and nobody cares. There is no control.

Mr. Speaker: Order. I am sorry I have to interrupt the right hon. gentleman, but I must remind him that his time under the rules has expired.

Some hon. Members: Carry on.

Mr. Speaker: The right hon. member for Prince Albert.

Mr. Diefenbaker: Thank you, Mr. Speaker. I will restrict my remarks to the next five minutes before adjournment.

What are the government's policies in the field of agriculture? Reporting for the Wheat Board, the Minister of Justice (Mr. Lang) has said that all is well. The government brought in the LIFT program. When I returned from the Far East and the U.S.S.R. I said that the demand for wheat was going to be beyond anything we had had before. At that very time the government of Canada called on the western farmers to cut down production. I opposed the LIFT program in the light of events, and I am able to say now that by following the LIFT policy of the government of Canada the western farmer lost hundreds of millions of dollars.

Why cannot some action be taken with respect to boxcars? This morning I decided to turn to the Minister of Transport (Mr. Marchand), and I hope he does not turn away from what he said. We have been trying for months to get the Minister of Justice to bring in legislation to provide that these great railway companies shall not defy the people. Each area of the economy ought to receive its fair share. I suggested a controller with the power to direct that a fair share of available cars be given to grain movement. This is not the case today. The hon. member for Vegreville (Mr. Mazankowski) pointed out that cars were piled up for weeks, unused. In explanation all we got was a snow job from the government. The minister says that when the snow goes, everything will be well. Why will this government not appoint a controller?

I am glad to see that at last the Liberal party has awakened to the need for an international food bank. They speak of it today as if it were a recent discovery, a product of the mind of the Secretary of State for External Affairs (Mr. Sharp). I never charge him with coming to conclusions on anything and I know there is no basis for that.

I brought this question up in December, 1957, before the NATO conference in the city of Paris. All the leaders were there for the first and last time. Only two nations joined, Canada and Norway, no one else. Then, in September of 1960 before the United Nations I brought up the suggestion of a world food bank, but again there were difficulties. However, today other nations are beginning to learn, and Canada is beginning to learn.

I had hoped to deal with international affairs, Mr. Speaker, because, if ever there was a mess in Canada, the administration of international affairs today is in a class by itself. Finally, I ask when will the government give the western wheat farmer immediate interim payments to the end that he does not have to continue to pay interest at a rate of 9, 10 or 12 per cent?

Mr. Speaker: It being one o'clock I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it would probably have been unforgivable, on the occasion of the debate on the Address in reply to the Speech from the Throne and after one year at the head of the Department of Transport, if I had not found the time despite the circumstances to tell the House about the situation as concerns the Department of Transport and about the future as I see it.

[*English*]

I want this speech to be as non-political as possible. I do not know how successful I will be, but I will judge from your reaction. In any event, I tell you that is what I am going to try to do as I think this is a problem so important to the future of this country that we should, at least for a few hours, look into each other's eyes and say what we really think about this matter.

Before preparing my notes for this speech I looked through *Hansard* for the past 20 years in an attempt to find a comprehensive speech on transportation as a whole, not just on one aspect or a philosophy of the moment. Unfortunately, I did not find such a speech. I found speeches delivered by a number of persons which were good in respect of a particular purpose, but I did not find a speech which covered not only the problems of the moment but the problems to be encountered in the future.

The last great speeches on transportation were made back in 1967 when the National Transportation Act was adopted by the House. At that time we, as a government, laid down a number of principles in which we believed.

These principles were not really rejected by the opposition. Of course, there was opposition but not in respect of the main principles. We said at that time that transportation should work in the same way as other things in other sectors of the economy. We suggested that we should have competition between the railway companies as well as competition between the railways and the trucking industry and between the trucking industry and the shipping industry. We felt in that way we would be sure of getting the best deal possible in this field. I was here at that time and I do not remember hearing any indication of any reservation about this principle. I can tell you now in all honesty from my experience that this fundamental principle is wrong in Canada. It is not entirely wrong but is partially wrong, because if you look at the size of this country and the distribution of its population you will see that you cannot have a transportation network which is economic everywhere; you cannot have an economic system of transportation to service the north, for example, or to service those regions of the country where the population is very thin. You cannot have an economic system for regions which are remote from the centre.

● (1410)

Let us speak about the Maritimes, for instance. If we had laid down this principle at the same time or immediately after we had passed those laws which enable either the department or the CTC to subsidize a certain part of the country, not only the Maritimes but other regions would have suffered. That means that the fundamental principle can apply where there is competition in Canada at this moment, but it will not work in the many places in which there is no competition.

Mr. Stanfield: It was not true in 1967.

Mr. Marchand (Langelier): I agree with the Leader of the Opposition (Mr. Stanfield). I believe we thought this experiment would bring results in all regions but this has not happened. I am sure the CNR does not have competition in certain regions. The same applies to the CPR. Sometimes they agree not to have any competition. The fundamental principle of this act has been distorted by the situation in Canada. This is the reason there are so many complaints. I shall not attempt to say to this House that everything that has been done since I have been in office has been perfect. I shall not attempt to prove that.

An hon. Member: We agree.

Mr. Marchand (Langelier): You agree. I am glad to hear that you agree with something. Sometimes I am pushed around a little in the House by some tricky questions because in the transportation field there can be a lot of difficult situations. I believe I can say I have been lucky. In any event, I think it is correct to say that many good things have been accomplished during this past year and a half I have been in this ministry. I do not say this for myself but on behalf of all the public servants who work hard to solve certain problems, as they did in respect of the problem of the freight rates in the Maritimes. There was an increase from 30 per cent to 50 per cent in the subsidy on westbound traffic. They were successful in working out that formula. I believe everything is just about settled now and we will have an agreement on this question very soon.

So, that has been done and it is very important. That does not mean we have solved all the problems of the Maritimes, but it is something we can place on the right side or on the left side of the ledger. I am not an accountant, so I do not know which side is the good side.

An hon. Member: The right side.

Mr. Marchand (Langelier): Then, let us put it on the right side. We dealt with the famous Darling report. For years this problem was never solved, but now it has been solved. We have agreed on a formula which will provide that coastal shipping in Canada will be carried on only by Canadian ships and Canadian crews when they are available. So, if we add that to the restrictions we are placing on shipping in Arctic waters, this means that sooner or later we will have something that will look like a merchant marine in Canada. There are many other reasons to believe this is the direction toward which we are moving. This is something positive which is worthwhile mentioning.

We speak also a great deal today about the Western Economic Opportunities Conference and its effects on the western provinces. I have heard statements to the effect that nothing has happened since the meeting in Calgary six or seven months ago. Well, this is not true. I have met twice with the ministers of transport and I shall meet with them again in Vancouver sometime next week. All these ministers agree that if we are to change the pricing systems of the railways in respect of freight, this cannot be done overnight. A proposal was made by Manitoba and another was made by Alberta. We agreed to have a firm of specialists study these and make recommendations. We all agreed that this study could not be available before the month of May or June. The fact there has been no result yet is because we agreed that there should be this kind of consultation. Now, we hope to have some kind of an answer. We agreed on that.

We are agreeing now on the upgrading of the highways on the Prairies. We agreed to freeze all branch lines. This has been done. I hope we still have agreement with the province of British Columbia concerning the rail and port development in the north of the province. This involves an amount of $325 million for the development not only of the natural resources of the north but also the port of Prince Rupert. This is something which is there; no one can deny it. There is also the matter of the Clinton-Ashcroft bypass on which we have a clear agreement. Everyone agrees this is good.

A large amount of money is being spent in Calgary for the new airport. This is something new and it is on the right side of the ledger. We have a new international air policy for the international carriers, CP Air and Air Canada. This is new. It is not perfect. However, I know this has really helped both air lines. It will help not only in solving disputes between CP Air and Air Canada but also with the main problem of getting the largest share we can of the international market. This is what we have done. This is a fact. It is something positive. So, we have signed a bilateral air agreement with the United States. Some people may say it is rotten and they do not like it in

respect of their areas, but others say it is good. I shall not discuss its merits, but I know it is the largest bilateral agreement ever signed in the world. This opens many markets. I believe in the long run after we open United States markets to Canadians we will win because it is a larger market and we have a good chance of having a better return. This is something else that should be placed on the right side of the ledger.

In the matter of airports, we thought we could build an airport at Pickering to service Toronto. I am not responsible for that, and if it is proven that it is useless to have an airport there then I am not going to insist on the expenditure of $400 million.

● (1420)

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): I know of many other places in Canada where we can spend that kind of money. However, there is an inquiry being conducted and I am not going to make any judgment here. I do not think that would be proper.

We have not been paralysed at Mirabel in Quebec, yet. Work is proceeding, and I think that in about a year's time Mirabel will be opened and it will be an excellent airport. we have spent a lot of money at Saint John, New Brunswick, and at Halifax in order to improve their airports. We have spent money to improve navigational aids for air and for inland and ocean water travel. All this can be put on the right side of the ledger. So if somebody writes, "You know, this department has done nothing and is doing nothing"—I do not know if you could call that person a journalist, but I do say that is the kind of dishonesty that should not exist.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): On the other hand, if you tell me we have not done everything we could have done, and even I will not admit it publicly, unfortunately you will be largely right in certain instances. Anyway, the burden of proof falls on you, not on me, in that field. There is just one thing I would like to get across to hon. members, if that is possible. I don't want to take up too much time with my remarks.

Mr. McCain: Take all the time you need.

Mr. Marchand (Langelier): I am just practising your language right now.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Marchand (Langelier): To be sure of not losing my mother tongue, I would try to explain a few things as briefly as possible in French. Are we really going to stay indefinitely in this closed circle, which is the essence of a circle, or are we going to broaden somewhat our transportation policy and see how we will serve the Canadian people in the future? That is the important thing. Then it is not simply... and by way of an answer I could very well say that we will try to build more railroad cars to carry lumber, coal, or western wheat. It can and will probably be done, but the transportation policy has not been basically changed.

The right hon. member for Prince Albert (Mr. Diefenbaker) was telling me this morning of the wheat problem in the west. He is right. Railway companies are indeed not interested in carrying wheat. It is not profitable; they have been shaken by the present situation and do not want to buy cars to carry wheat. Even is they were paid, I doubt that they would do it. So there is quite a problem. Government cannot discuss indefinitely. The external trade of the country greatly needs an effective transportation system, giving a fast and safe service, for Canada is an exporting country. Actually, the Canadian National and Canadian Pacific companies do not have available for Canadians more cars than they had last year.

[*English*]

About the same number of box cars are available this year as we had last year. This means that no provision was made for any growth in the economy. This is true. So, what do we do in this situation? Hon. members may say, "You are the minister; you do it." I have a few answers to that, Mr. Speaker. It is true that hon. members gave responsibilities to the minister, but they forgot to give any authority at all in many instances.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): I am just talking to the House. I told you I would not make a political speech. I am just trying to tell you the facts. Everything is done the same way. We have the CTC which has final authority over almost everything, except in a few cases where there is provision for an appeal to the minister.

Remember, Mr. Speaker, that we decided to have two national carriers. You know in this country we like to have everything in duplicate—two languages, two great ethnic groups, two railways, two national flag air carriers. We like to have two of everything. We do not like to be alone.

Mr. Andre: Two parties in power?

Mr. Marchand (Langelier): Yes, two parties in power—and two leaders of the Official Opposition!

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): Mr. Speaker, you can understand that in such a short time I will not have the opportunity to go over all the problems, but the problem of the freight cars is a real one. We were fortunate that we did buy a certain number of hopper cars last year. As a result the railways own a number of cars, and the Wheat Board owns a certain number of cars. I do not know if there is a possibility we may buy some more as a result of other governmental re-organization.

Then, there is the question of regional air carriers. Very often I hear hon. members make speeches on the philosophy that should govern our aviation policies. Air Canada is a national carrier. Then, we decided to have another one. But often hon. members will say, "That is fine, but what are you doing for my locality? It is more important." At present we have PWA, Quebecair, Nordair, Wardair, EPA in the west, and Transair. I apologize for mentioning Wardair because it is not a regional carrier.

When an airline is designated a regional carrier it often enters the charter business in order to maintain a satisfactory economic condition. Then, it will turn around and tell us, "We have to stay in the charter business to remain economic, and we will have to abandon some local or regional routes." What do we do in that situation? Are we to establish a third carrier system? That would be silly. The third carrier would also buy big jets in a few years, and in order to pay for them it would need routes that extended beyond the particular locality or region originally awarded to it. That might make sense, as a result of which at that stage we will have big regional carriers with big jets, a third system of carriers with big jets, and we will be on our way to creating a fourth system of carriers. This is precisely the policy that was followed in the United States, with the direct result that many companies went bankrupt.

We also have the problem of isolation in Canada. There are communities far away from the bulk of the population. They need a service, and in return we say, "If you can find an airline which is going to make money servicing your area, then all right we will build you an airport." That means we will have Canadians who will not be serviced and who will remain isolated from the rest of the country. You can say, well, this is public money and we should use public money in order that those people will feel they are Canadians, so we have to give them service.

● (1430)

Then, there are all the problems of urban transportation and these are very serious ones. I remember about six months ago when I flew to Paris the journey took five hours, 45 minutes but from Orly airport into Paris took one hour and 45 minutes.

An hon. Member: How many stops?

Mr. Marchand (Langelier): No stops—oh, a stop between Paris and Orly but not for the purpose you think.

Some hon. Members: Hear, hear!

An hon. Member: Explain.

Mr. Marchand (Langelier): So, what do we do? We have now an agreement with Ontario and we are going to have this commuter train between Richmond Hill and Toronto. This is not a policy, it is, an ad hoc decision. We say, all right, we are going to do it because we have a problem, but can we restrict that to Toronto? What about Vancouver, Quebec, Montreal? Do we have a policy? I am working with my colleague, the Minister of State for Urban Affairs (Mr. Basford) on a policy—

Mr. Stanfield: There is your problem right there.

Mr. Marchand (Langelier): You have problems with him? I do not. Mr. Speaker, I think I have taken enough time and I do not want to be unjust to the other members who wish to speak.

I do not blame anybody for our problems. I do not blame any former ministers of transport; they all tried to solve the problems as they saw them. Nobody foresaw the new technology; nobody foresaw that it would take an hour and a half or an hour to go from Dorval to Montreal; nobody foresaw the congestion in the airports, but these are the facts.

Some hon. Members: Why not?

Mr. Marchand (Langelier): It is just a few years since a minister of transport could go to a place and say "We are going to build an airport here" and his announcement would be well received. Now stones are thrown at him.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): Here you have a poor French Canadian who has to go to Toronto to try to convince them that they should have an airport.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): But I do not want to talk about the past, Mr. Speaker. We do not have what we can call a real policy for the future. If I stay in this post I shall surely ask the authority of the Prime Minister (Mr. Trudeau) and the cabinet to try to elaborate this kind of policy so that we know where we are going.

This morning we were talking of snow in Saskatchewan and Manitoba. Of course, this is not new; snow in Canada is a very old feature of our country. Maybe we will have to stockpile some rolling stock somewhere. Do we always have to establish a level of rolling stock, for example, exactly at the level of economic activity in Canada or should we be wiser and say that even if it costs money it is better to build more freight cars and have them in reserve? This would meet a situation such as the one we encountered this winter in which there was a shortage of rail cars for lumber, a shortage of cars for wheat, for fruits and almost everything, even for moving grain to the east. At the same time we had too many cars in the maritimes; some were waiting in Sydney to be crossed over to Newfoundland. I am not going to tell you that I am building rail cars in my yard, because I am not. I am sure of one thing, however; I do not think we can go very far in this country without a policy in that field which is much more far-reaching then the one we have followed nationally until now. Everybody tried to contribute suggestions because this is a problem which is vital to the country.

As minister, you will understand that I am responsible for the ministry of transport. I would like hon. members to visit the ministry so that they could find out exactly what it is. There are three large sections of this administrations—air, marine and surface. As well as that there are many Crown corporations such as the National Harbours Board, the seaway, four pilotage authorities, CNR, Air Canada, Northern Transportation and so on and so forth. None of these companies have the same type of relationship to the minister, so how can he handle them?

An hon. Member: Sell them.

Mr. Marchand (Langelier): Some corporations have to go directly to the minister as authorized by the law, while others do not. Everybody is working hard, but I think that if we want to progress in the field of transportation in the future we have to manage transportation in Canada.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): That does not mean that we have to run each railway in Canada; that has nothing to do with it. That does not mean that we have to run each regional air carrier, but it means that we should have the power to define the national objectives; what the people are expecting; what kind of service we have to give them and where we have to give that service to meet those expectations.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): This is a really fortunate country. We have everything in Canada. We have water, air, surface—we have ice, we have snow and we have distance—we have everything to have fun in transportation. Something we do not have is a real policy and I hope that sooner, rather than later, it will be possible to have such a policy.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): The hon. member for Central Nova (Mr. MacKay) wishes to ask a question, but this can only be done if he has the consent of the House and the hon. minister as the time of the minister has expired. Does the House give consent to the hon. member to ask a question of the minister if the minister consents to answer?

Some hon. Members: Agreed.

Mr. MacKay: Mr. Speaker, I want to compliment the minister on an excellent speech.

Some hon. Members: Hear, hear!

Mr. MacKay: The minister mentioned air and rail transportation in his speech but neglected to say anything about motor transport. I want to ask whether he intends to look at part III of the Transportation Act in considering his policy and if he intends to make a statement on it soon?

Mr. Marchand (Langelier): Mr. Speaker, I presume that the hon. gentleman knows that it has not been ratified by the provinces yet. I hope it will be soon so that we can have a national policy.

Mr. J. R. Ellis (Hastings): Mr. Speaker, it is a great privilege to follow an orator of the stature of the Minister of Transport (Mr. Marchand). At the risk of having hon. members thumping their desks again may I say, through you, that it was a fine speech and I enjoyed it. It is a tough act to follow.

It is with some regret that I enter this throne speech debate today, Mr. Speaker. On January 16, last year, very shortly after the opening of the first session of this parliament I spoke at some length about some very serious concerns with regard to the Unemployment Insurance Commission. Those concerns are as great today, indeed, even greater, and I intend to dwell for a few moments solely on this very unhappy situation.

[Mr. Marchand (Langelier).]

• (1440)

Before I do, however, let me say that as I read over the comments I made at that time I recall congratulating you, Mr. Speaker, and the Deputy Speaker, on your elections to the onerous duties of your offices. After this past year I feel I am now in a position to pass judgment on the handling of these offices with at least some small experience. I can only say now that my remarks at that time were traditional and frankly not sufficiently commendatory. I am extremely impressed with the manner in which Your Honour handles the daily challenge of this House with firmness and yet complete grace, especially during times when members both new and old, myself included, must strain the patience of Your Honour to the breaking point. I thank you for the many courtesies afforded to me. These same comments, in a like degree, must also be accorded to the Deputy Speaker, who has brought to his position a calm patience which, I understand, was not his trademark prior to his election to this office. His grasp of the intricacies of the task has been exceptional.

I also want to say a word of appreciation to the two assistant acting speakers for their efficiency and fairness, as shown to me when I have risen to speak. If I may reflect for one further moment, you will recall that I spoke, as is customary, of the many great qualities of the riding of Hastings, which I am proud to represent. If there is a member in this House now who is not aware of the qualities of that riding or even of the excellent cheese which we produce, I will have erred grievously and I shall correct that error as soon as possible.

Now, let me speak of my major concern, that of the tragedy of the Unemployment Insurance Commission. In reviewing my remarks of the year past I noted that I brought to Your Honour's attention, and to the attention of those in a position to make corrections, a number of details which I felt surely would have warranted a serious study. During the intervening space of over 13 months I have repeatedly brought to the attention of the minister, other members of the cabinet and the Prime Minister (Mr. Trudeau), both in this House and in statements outside the House, a need for a full-fledged inquiry, this being the only way that we can properly expect to achieve any semblance of order out of this very disordered piece of legislation.

I suppose it might give a minister of the Crown some small pleasure when he thwarts a member of the opposition in his attempt to achieve a specific correction in that minister's field; but when hundreds of thousands of Canadians do not receive proper treatment at the hands of the Unemployment Insurance Commission, when many Canadians, through no fault of their own, need assistance, and, what is even more important in my mind, when the many millions of Canadians who have to pay the exorbitant rates charged by the Unemployment Insurance Commission have little or no hope of collecting benefits and see no end to this most disgusting form of indirect taxation, then, when these many Canadians become as unhappy as I am, I think the minister may well have thwarted a section of the Canadian public, to his everlasting discomfort.

It is interesting to note that I started to demand an inquiry into this matter on January 16, 1973; and mine was

a lone voice at that time. Since then, the Canadian Construction Association, the Retail Merchants Association of Canada, the Canadian Federation of Independent Business, the Chamber of Commerce and many other associations representing Canadians from all walks of life, have joined in my request for such an inquiry. While I have had support from members of my party throughout all this, I am very pleased and proud that just recently the Leader of the Opposition (Mr. Stanfield) formally, on behalf of the party, issued a similar request to the minister for a full-fledged inquiry. As a matter of fact I had hoped, from the report of a press conference by the minister after a speech at the Canadian Construction Association in Quebec, that there would indeed be consideration of an inquiry. At that time I suggested publicly to the minister that he might well ask that some indication of this be included in the Speech from the Throne which we are discussing now. Unfortunately, the following day, in Cobalt, the minister denied ever making such a statement.

I know that the press have a tendency sometimes to shade or colour or slightly change what we, as practising politicians, from time to time say; but, Mr. Speaker, they do not make up such statements out of whole cloth. No, indeed! I suspect very strongly that in the presence of some of the heavyweights of the Canadian Construction Association the minister began to realize the enormity of the request and the need for such an inquiry all across Canada. Who got to the minister after that to have him reverse himself at a time and place when there would be no pressure I do not know. Suffice it to say I am deeply disappointed and curious as to what he is trying to hide.

Let me explore for a moment the need for an inquiry. In a document which I prepared some months ago and which is available to any who asks, I contended that almost $1 billion had been distributed throughout the Unemployment Insurance Commission to people who were not deserving of assistance. That, Mr. Speaker, is a particularly strong statement, one which I researched very, very thoroughly before making. While there have been, from time to time, scandals within governments at all levels in this country and in other countries, I doubt if there has ever been such a wastage of funds collected from taxpayers in modern times. Very briefly, so that there will be no question in anyone's mind, I ask people only to take the figures given by the minister as to the number of disqualifications made in the latter part of 1973. Assuming that the level of disqualifications would have been as great from the inception of the new legislation, and multiplying that by the average amount of a claim, you will come to a figure of well over $850 million. My contention that almost $1 billion has been improperly distributed is very easily substantiated.

In my opinion it does no good for the previous minister to say that this money was a new kind of social distribution of wealth, that it, in fact, actually helped the economy. If we are to have welfare programs, let's do them honestly; let's do them humanely; let's do them only where necessary, but let's not call them an Unemployment Insurance program. There were, and are, many other accusations in the document I referred to and I have added to the list since. It is interesting to have the minister, in his recent speech, admit that the charges which had been made, and I assume he refers to my charges, were accurate.

At one point in my discussion of these problems I pointed out that in my opinion the level of collections would be completely insufficient to balance the fund. Despite denials late last year, there was a major increase in premiums, ostensibly a 40 per cent increase but in actual fact an increase ranging as high as 98 per cent, to some Canadians. I suggest to the minister that the increases which he implemented, unless there are major changes in the legislation and unless some of the abuses are curtailed, will not come anywhere close to balancing the books this year, next year or in the years to come. Employers and employees alike have threatened they will not pay the increased premiums.

Let me just point this out as a means of comparison. The budget for administration for the Unemployment Insurance Commission, which supposedly only services approximately 6 per cent of the working population who are unemployed, cost taxpayers $145 million in 1973. By contrast, the administration of the Income Tax Division of the Department of National Revenue, which collects from every Canadian, employed, unemployed, or retired on a continuing basis every day of every week of every year, in 1973 cost taxpayers only $136 million. I am unaware of the relative efficiency of the Income Tax Division. Perhaps there is some fat there also; but, surely in a comparison of the two figures one can only shudder at the obvious inefficiency of the UIC.

Another salient comparison, particularly since the government blames its problems on outside influence, can be made if one looks at the unemployment situation in the United States. There, the level of unemployment is within one half per cent of ours, but wages run about 20 per cent higher. The unemployment insurance figures suffer terribly by comparison. The average Canadian recipient of UIC assistance received $2,328 last year, while the average U.S. recipient received $768. In the United States, the cost of unemployment insurance equalled 2 per cent of the budget. In Canada it was 10 per cent. Although Canada's population is only 10 per cent of the United States, the cost of the unemployment insurance in Canada is 50 per cent of the U.S.; our cost of $2.1 billion versus theirs of $4.1 billion. In 1970, our programs on a pro rated basis were about equal. How many more comparisons are needed to prompt an honest inquiry?

● (1450)

Let me for a minute make a few interesting points to those hon. members sitting on my far left; far left, supposedly, in more ways than one. The NDP supposedly is the party of the labour unions. The NDP admits, and yes, even brags that they were successful in keeping Bill C-125 from becoming legislation during the first session of this parliament. Not that perhaps Bill C-125 was a perfect answer by any manner or means. Indeed, in my opinion, it was similar to the ad hocery that has taken place, but let us consider the way the members of this party represent their unions. I suggest that the average union employee is ripped off by the Unemployment Insurance Commission, harder by far, in fact four times over, than any other average Canadian. Let me explain.

The union employee is the one who is the least likely to be laid off. He is the one who bargains in his contract, and rightly so, for security. It is the many thousands of unorganized workers in Canada who normally make up the larger share of those receiving unemployment insurance benefits. The union employee, if he has any program for providing him with assistance from his regular employer for any layoff, gets no help from the Unemployment Insurance Commission, or at least very little. Thus it is that the average union employee is less in need of this program than any other. However, it is the union employee who pays the largest share of the premiums. The average union employee who makes over $170 weekly, enough to put him in the category of paying the maximum premiums, is the type of employee whose rates were increased by 48.7 per cent in January of this year. It is this type of employee, if he happens to be in one of those areas which were added to the work force at the inception of this legislation, whose premiums were increased by 98 per cent. Therefore, the average union employee pays more in direct premiums.

In addition, the average union employee provides a great deal of the purchasing power in Canada. The employer, the manufacturer, the producer who is being charged 1.96 per cent of wages does not actually pay those amounts himself. Rather, he adds that amount directly to the cost of the goods and services he provides and, once again, it is the average union employee who picks up the tab by purchasing those goods and services. There is no way he can prevent this situation.

Finally, the fund is not, by the wildest stretch of the imagination, self-sustaining and a good deal of the money being disbursed comes from the general rate. It is the average union employee who, through direct income taxation, pays a major portion of the income taxes which go to make up those many billions of dollars that are being distributed through this fund. In my constituency, a number of union employees are very unhappy with the Unemployment Insurance Commission.

Much has been made of the documents which I have in my possession. The most ludicrous outcome of this situation was the instigation of an investigation by the RCMP as to the source of those documents. I have far too much respect for the RCMP, probably one of the finest police forces in the whole world, to ever believe that they would have started such a ridiculous and asinine project of their own volition. No, they had to be directed to do so, and I suggest that direction had to come from the minister of the Crown responsible for the Unemployment Insurance Commission. If that minister was not responsible for instigating that investigation, then I suggest to him that he find out who was responsible.

It was obvious after my discussion with the officers involved that they had been badly misled because they fully anticipated that the documents I had in my possession would be marked "confidential". This of course, is not the case. I do not like the sensationalism caused by using documents in this nature. Had there been anything, in any minute way a threat to security, I swear I would not have used it.

There is, however, a document which I have not referred to yet and, before I go any further, let me state categorically it is not marked "confidential". To the best of my knowledge, it is the only remaining one of its kind since the chairman of the commission was very careful to have the remainder of them destroyed. It did not come to me from a civil servant working within or without the Unemployment Insurance Commission so there is no question of breach of oath. I have, however, carefully checked its authenticity and am thoroughly convinced of its validity.

I have now to turn my attention to the former minister responsible for the Unemployment Insurance Commission, the hon. member for Verdun (Mr. Mackasey), since I cannot by any stretch of the imagination centre my criticism of the formation of the legislation on the present minister. I am now in a position to state categorically that in February of 1970, months before the legislation came into effect, the knowledge was available that a mistake, a gross error, had been made in the calculations used to estimate the cost of the disability program that was to be implemented. This error, in the range of $200 million to $300 million was known. I ask if the hon. member for Verdun was aware that that error had been made, discovered and was not being corrected. Through the many months of interrogation and investigation before the standing committee, my colleagues who were in the House at that time constantly questioned the validity of these figures, since to many it was obvious there had to be an error.

There was an error and someone responsible knew there was an error. I ask the hon. member for Verdun, did he know that such an error was being perpetrated in the presentation of the statistics that were used in the preparation of this legislation? If he did know, then with a great deal of reluctance I state that he was dishonest in not bringing it to the attention of the committee. If he did not know of this error and since we have debated the matter publicly on many occasions—I admire the hon. member for Verdun personally and I would much prefer to think that he did not know—I suggest to him he has no recourse but to join with me in my request for an inquiry into this matter alone, if nothing else.

The approach of the present minister to my many allegations has been, unfortunately, typical. At one point when I questioned him with regard to the increase of computer facilities at the regional pay centre, in Belleville, he indicated that there were no enlargements planned. Those enlargements are in place and functioning at almost double the original capacity. On another occasion when questioned about the computers, the minister blamed staff. At that time I took very strong exception, and I continue to take strong exception to that approach. My investigation, and indeed the investigation undertaken by the Department of Supply and Services not that long ago in the province of Quebec, resulted in a clear indication that the average employee of the commission is, by and large, a hard-working civil servant. In the words of the department itself, had it not been for the dedication of these people, the commission could not have weathered the extremely difficult conditions during the early years of the legislation.

The approach has been to install new locks, to change the keys of the existing locks and in the case of the Belleville Regional Pay Centre, to put on a massive lock costing over $600 which prevents anyone on staff from

entering the executive suite. The cost of the lock and the cost of installing the lock are outrageous. It is the typical approach of the minister and his department that they would take Gestapo-like methods in an effort to prevent the Canadian public knowing exactly what is going on in the Commission before they make even the feeblest attempt to correct this situation. Again I ask: What are they trying to hide?

● (1500)

The Leader of the Opposition (Mr. Stanfield) has conducted surveys. I have conducted surveys. Others have conducted surveys. They all underline the need for an inquiry. Virtually every newspaper, radio station and television network in the country has commented on such a need. The major associations which I mentioned earlier have demanded an inquiry. In the name of all that is reasonable, what does a Canadian have to do in order to bring about such an inquiry? The avoidance of an inquiry in order to maintain the ego of the few whose interests are perhaps best served by not digging into the matter thoroughly is a position which will not much longer be accepted by Canadians in any walk of life.

The Speech from the Throne spoke of a comprehensive review. That is just not satisfactory. It is not sufficient. It will not do. The Canadian public will not accept the whitewash job perpetrated upon them by the very people who were the cause of the problem in the first place. It may well afford some satisfaction to the minister to thwart me in my efforts but I suggest to him that should he continue to do so much longer, with the increasing pressure from Canadians in every province, he will do so at very considerable risk. And, I suggest to the Prime Minister (Mr. Trudeau) there will be considerable risk to him, also.

Mr. Mackasey: Perhaps the hon. member would allow me to put a question to him. I respect his opinions and I intend to comment on them a little later. I wonder whether he would tell me the number of disqualifications he is using as a statistic in order to arrive at the figures he gave.

Mr. Ellis: I am using the minister's own reports. My recollection is that in the last half of 1973 it was close to a quarter of a million.

Mr. Mackasey: Disqualifications?

Mr. Ellis: Disqualifications.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise in this debate in order to say something about what I regard as being Canada's most pressing national problem to the extent that it affects the greatest number of people directly today. I refer to housing. I listened with a great deal of interest yesterday to the speech given by the Minister of State responsible for housing in the hope of hearing him announce new programs to deal with what might properly be described as a crisis situation in housing. What did I hear? I heard the hon. member from British Columbia speak for ten minutes on harbours, all of which were located, of course, in British Columbia. Then, he spoke for another ten minutes on railways. Again, all the railway development to which he referred happens to be in British Columbia.

Toward the end of his speech he deigned to spend a few minutes on the subject of housing. But nowhere was there any indication that the government intends, at least before the budget is introduced, to move in a serious way to deal with the housing situation. There is every indication that in this area of policy we are saddled with a do-nothing government, a government which, once the housing bill was passed last spring, decided, presumably, that enough had been accomplished.

Let me put forward my reasons for believing that such an attitude is palpably absurd. Indeed, it is more than absurd since it involves a serious question of social morality, and the government has "copped out" altogether on this issue. To put the subject into some kind of perspective, let me compare it with the so-called fuel crisis. What does it mean for Canadians? I do not wish to be misunderstood. In the long run we shall face a fuel crisis in Canada, especially in the years beyond 1980. We shall be confronted with serious shortages and plans must be made now to deal with them. But in the short run, which countries face an oil crisis? Western Europe does, and so does Japan, since the oil used there has to be imported. But a man in Tokyo or a woman reading the headlines of her newspaper in Brussels, could scarcely bring themselves to believe that Canada, a country self-sufficient in oil, was really facing a fuel crisis. In reality, the current "crisis" centres on the amount which one part of Canada will charge another part of Canada for its products. As to the effect of the present situation in terms of cash, a typical family will be paying $50 more for heating their home over the six months winter period. In the same six months, given the present rate of inflation in the housing industry, the price of the home itself will have increased by $4,000. When we make that kind of comparison, it is abundantly clear where the national political energy should be going at this time.

Let me give the House some further information as to what is happening in the housing field. In Ottawa, Toronto and Vancouver, prices have increased in the past year by some 25 per cent. In virtually all of urban Canada the picture is the same. For the first time in Canadian history a steadily-employed, moderate income family living in Canada cannot afford to buy a housing unit, whether a single family dwelling, a condominium, or other kind of accommodation. The reason for this is that governments at the federal level in the past, both Liberal and Conservative, have failed to recognize that housing is to be distinguished from other goods and services available in the commodity market. They have regarded housing as being basically like any other consumer item. They have refrained from interfering with the financial markets or with the acquisition of land because, in their view, a house is like a television set or an electric toothbrush or any other item of consumer use. Price, in their view, must correspond with market conditions.

Thus, the situation which exists today is a very bad one—and I say this with great deliberation—it will become worse in the next three or four years. The generation born in the late 'forties or early 'fifties is now coming into the housing market. A number of crises have already

arisen in connection with that generation. First, there was the elementary school crisis; the number of places in elementary schools had to be expanded rapidly to meet the need. This was followed by the need for a similar dramatic expansion of places available in our high schools and, later, in our post-secondary institutions. These same people are now young parents with one or two children; they are out in the housing market in every city from St. John's to Vancouver.

I point out in passing that we are among the most highly urbanized people in the world with almost 85 per cent of our population in the cities—a higher proportion than in the United States. Moreover, the proportion in the age group normally buying houses, the proportion with young families, is the highest in the western industrialized world. This means that a housing crisis of significant proportions is upon us, and it will continue if we allow the normal market situation to continue unchanged. If we want to do that, it means that we have to abandon the typical approach to housing used by both the Liberal and Conservative parties in Canada. What have these parties done? In the past they have relied on profit incentives. In 1967 they combined together to lift the 6 per cent ceiling on bank mortgages.

● (1510)

In 1969 the Liberals and Tories voted in favour of lifting the 6½ per cent NHA ceiling on mortgages. In the same year, the former minister responsible for housing in a Liberal government, the hon. member for Trinity (Mr. Hellyer) who now sits as a Conservative, recommended that we introduce a rollover period on mortgages of five years. The idea was justified politically at that time on the ground that when you take out a mortgage at one point, five years later the interest might come down and the mortgage payments are thus reduced. But what has happened, of course, has been that ever since this feature was introduced in 1969 mortgage rates have not gone down, but both Liberals and Tories were happy to accept the profit incentive idea.

Again, both these parties combined together three months ago in this House to vote for the mortgage mechanisms bill. In the immortal words of the minister responsible for housing, the purpose of this bill was to enhance the attractiveness of investments in mortgages. The cumulative effect of the reliance on the profit motive, clearly argued for by both Liberals and Conservatives, is that during the Trudeau years, when the four innovations I have just mentioned were introduced, average or low income housing disappeared from the housing market and high income houses appeared like they had never appeared before in this country. The profit margins of the financial institutions of Canada went almost out of sight and have been almost at the highest level in Canadian history. Mortgage rates now are around 10 per cent.

The average price of a house for sale in Toronto is $41,000. According to NHA regulations, you would require an income of $21,600 to purchase that home. I ask you, Mr. Speaker, how many people in the city of Toronto earn $21,600? Maybe 5 per cent, 10 per cent at the most. The NHA authority, which was set up to enable the average person in Canada living in a city or urban area to finance the purchase of a home, is now assisting only the top 5 or 10 per cent of the income earners in our population.

[Mr. Broadbent.]

This same reliance upon and encouragement of profit incentives has led the banks to invest in mortgages like they have never invested before. I have already referred to the high profit levels of financial institutions. Bank profits in particular have risen 85 per cent during the past five years. These figures are significant and I wish the minister responsible for housing were in the chamber. We will see what is going to happen with his financial mechanisms legislation when it takes effect this year. Last year banks in Canada increased their mortgage investment by 67 per cent; in 1973 their investment was up 67 per cent over 1972. The reason for this is obvious: there is no better place in Canada to make a quick buck, a very substantial return, than to invest in mortgages, which is exactly what the banks are doing.

I could list the profits made by a number of major corporations involved in other aspects of house financing or land development, but I will mention only one, Cadillac Development Corporation. This is not a small concern but one with holdings in Ottawa, Toronto, Mississauga, Windsor, Hamilton, Hull and in the U.S.A. It is a Canadian multinational corporation. If we look at this corporation's profit picture for the nine months ending September 30, 1973 we find profits increased 57.1 per cent over the same period in 1972. Their profits from land and housing increased 214 per cent. This is the profit made by one of our larger development corporations, but is quite typical of Campeau and a dozen other development corporations I could mention. However, I will not bore the House with all the statistics.

Quite apart from the financing of houses, which has become crucial in terms of cost, the other important aspect of housing costs is land. Land costs during the last three years have gone up, on average in Canada, by 60 per cent. Last year the average increase in our largest cities was 20 per cent. I am not at all happy to say that I learned only yesterday that the city I represent, Oshawa, now has the dubious honour of having the highest lot costs in Canada. According to figures not yet released by Statistics Canada but which will be coming out soon, the cost of the average lot in the city of Oshawa is now $14,875. This is on an NHA financed housing project and is the highest average in Canada. The average cost of a housing lot across Canada that is not NHA financed is even higher than this scandalously distressing figure of $14,875. What has brought this about? Again we have left to free market forces the buying and selling of our land. With the increased numbers of persons entering the housing market at this time, what can one expect? One can expect a few people to make a lot of money if the market is left to operate on its own.

Many hon. members are aware that the *Globe and Mail* published an interesting investigative report last spring. It revealed that of all the land available and designated for housing development in metro Toronto, some 80 per cent was owned by five companies. These companies are now in the market for one reason and for one reason only—to make a speculative land profit. That is where the big gain is to be made in our major urban centres, and it is where they put their money.

Let me give an example of the wheeling and dealing of just one company, Consolidated Building Corporation of Toronto. In July of 1973 this fine, noble, altruistic corporation bought 18 acres of land and resold it 17 days later for a profit of $1.5 million. That is not bad for 17 days. This company is in the land development business and has extensive residential and commercial holdings in and around the city of Toronto. However, in 1973 they found that land speculation in itself, not simply land development, was a more attractive business than building homes. According to the president of the company, as quoted in the *Globe and Mail*, the company is a public company and in the business of making profit. He used that fact to justify the company's total concentration upon land speculation.

Mr. Brewin: Good capitalist theory.

Mr. Broadbent: Good capitalist theory, as my colleague says. The people who pay for this kind of theory are the countless thousands who want to buy a home in one of the cities of Canada at the present time.

What can be done to correct the situation, Mr. Speaker? Clearly we have to abandon once and for all the notion that market forces can be left to treat houses in the same way as they treat television sets and similar commodities, which is to let people pay what the market will bear. This kind of thinking must be abandoned. We have to regard housing as we regard the provision of schools and medicare: it belongs by right to all Canadians, not simply to those in fortunate circumstances. What is required to bring this about? It requires direct government involvement, just as did the building of schools for our children during the past century, and just as did the provision of medicare services during the past decade.

Let me suggest two specific courses of action. In order to deal with financing of housing we must say to the banks, the trust companies and the insurance companies that they hold savings of Canadians and can make legitimate profits on most of their investments, but in the area of housing they will have to put up mortgage money at an interest rate which will not produce a profit. We should say that very explicitly. We must say to the banks, by a change to the Bank Act here in the House of Commons, that they must put up mortgage money at 6 per cent, and we must change other financial legislation which applies to other financial insititutions to achieve a similar effect.

● (1520)

I suggest that we should make sure we have a vigorous department of housing rather than be satisfied with the current situation in which the Minister of State for Urban Affairs (Mr. Basford) makes fine, well-intended speeches but does nothing. We should have an active department of housing whose responsibility it would be to allocate that 6 per cent mortgage money to the moderate and low income group first, and then to the upper income group when the needs of the first groups were met. I suggest in all seriousness if this were started now we could provide mortgage money so that 90 per cent of the families in Canada could afford housing without a serious impact on their monthly budgets.

The second approach we must take has to do with the land matter. What can be done there? As the minister of state responsible for housing knows, in the 15 larger cities in Canada there are 50,000 acres of what is called quick-start land now available. This is land that can be used for housing almost immediately. If this government wanted to act in this regard, all it would have to do is buy the 50,000 acres to be used for housing units. This land could accommodate 250,000 units which would house almost one million people. That land should not be turned back to speculators, because if that happened we would find ourselves in exactly the same position five years hence when the land was sold at a fantastic capital gain.

The federal government should purchase the 50,000 acres of land and lease it under contract on bid to designers for housing units such as Habitat built for the 1967 exhibition. Entrepreneurs who were genuinely interested in providing such accommodation could be awarded contracts for the construction of 250,000 units to be leased. The units would be sold to the citizens but the ownership of the land would remain with the government. in this way we could cut the cost of the average unit from $10,000 to $20,000, as we would not be passing on the cost of the land to the purchaser. When an owner of one of these units decided to sell he would be required to sell the unit back to the housing authority. If he were allowed to sell it on the open market the price would be anywhere from $10,000 to $20,000 higher with a substantial capital gain. This should be discouraged, and this could be done by requiring that the unit be sold back to the housing authority. The owner would be allowed, in addition to what he paid originally, a certain amount related to the increase in the cost of living, plus an amount for any improvement such as a patio or some other substantial change to the unit. There would be no capital gain. In this way we could keep at least the cost of that housing within reasonable limits.

I might say in passing that there is one government in this country which has started to move in this direction, and I refer to the province of British Columbia. I found out recently when speaking in the city of Kamloops—I was not aware of this fact before going there—that the government of British Columbia had turned over 40 acres of prime downtown land in that city for housing on the condition that it be developed on a leaseback program of the kind I have outlined.

If we combined these two approaches, that is changing housing financing by making mortgage money available at 6 per cent, and developing an imaginative land bank system so the land would remain in public hands, we could provide housing for all those post World War II babies who are now adults with babies of their own seeking accommodation on the housing market. This could not be done overnight, but within two to four years this problem could be resolved. We should adopt these two principles; providing mortgage money according to the needs without worrying about making a buck, and providing land on the basis of need instead of for speculative gain. In this way we could remove, in the years ahead, a serious problem, at least for generations if not forever, and housing would fall in the category of being a social right, just as we now have medicare and education in that category, services that Canadians now rightly take for granted.

Mr. Oza Tétrault (Villeneuve): I am most delighted today, Mr. Speaker, to be able to express my views and those of my electors. The Speech from the Throne contains many words about social security. We do not seem to know too much about social security, but I think a responsible government in a free society would find it very easy to apply the principle that everything physically possible and desirable should be made financially possible.

This principle was applied during two world wars, the first from 1914 to 1918 and the second from 1939 to 1945. We never stopped the wars because we had no money, and I am sure that if a war broke out tomorrow we would be able to find all the money necessary to defend our country. However, once the war ended, I am sure the government would then again suggest that we tighten up our belts.

Both the Conservative and Liberal parties were elected with the financial help of large corporations. Once the old parties are elected they must first serve those who elected them, and this is detrimental to the labour force in Canada, or the little man.

[*Translation*]

Mr. Speaker, these were the words of James A. Garfield, a former President of the United States:

> He who can control the money supply of a country controls the trade and the industry of that country.

Mr. Speaker, I have been listening to the brave member for Oshawa-Whitby (Mr. Broadbent). He certainly has very good ideas to help those having housing problems and what have you. He said that the banks were making very large profits, around 85 per cent in 1973. I will come back to this subject later, Mr. Speaker, and give some figures. This may be somewhat monotonous, but I would appreciate having them printed in *Hansard* to open the eyes of my knowledgeable colleagues.

Mr. Speaker, on February 24, 1974, during a CBC interview with Mr. André Payette, the right hon. Prime Minister (Mr. Trudeau) was asked the following question, and I quote:

> Nevertheless there is in Canada at the present time one Canadian out of four whose annual income is lower than the threshold of poverty. While solving the problems of tomorrow, what is being done to settle our current problems?

Replying to that question, the Prime Minister admitted that there were too many poor people in Canada and I quote him:

> I have always stated, and it is the point of view of the Liberal party, that Canada is an extremely rich country; its natural and human resources make it one of the most fortunate countries in the world. So we do not suffer from a shortage of resources, but we do have a distribution problem.

Mr. Speaker, for more than 30 years in the House, the Social Crediters have been suggesting that our monetary system is deficient, that it must be changed, that action must be taken to improve the fate of the poor in Canada.

When the first citizen of the country admits that there are poor people in Canada in spite of our prosperity, Mr. Speaker, the Social Crediters are not surprised, because in such a system as ours leading us into debt, it is impossible to get out of the hole.

[Mr. Broadbent.]

• (1530)

Canada's public debt is continually increasing: 18 years ago it was $17,951,491,464 and in 1973 it was $51,717,700,000. Provinces and municipalities are also overburdened by debts and, Mr. Speaker, I know what I am talking about because for six years I was mayor of Val-d'Or and our greatest problem then was always the matter of finance.

At that time we were not wondering whether we had any equipment or men, but rather where to find money. Today, in 1974, the same problem is recurring. The more things change, the more they are the same.

Mr. Speaker, here are a few statistics concerning 1973: direct and indirect municipal debt: $8,421,273,000; yearly interest: $452,983,000. The provinces have a debt of $17,054,997,000; the interest they have to pay amounts to $566,185,000. Canada's national debt totals $51,717,700,000 on which we pay interest costs of $2,260,600,000 and this finally works out to $77,193,970,000 all told. Canadians must pay yearly interest costs of $3,170,771,000, which represents a grand total of $9 million a day in interest for the municipalities, the provinces and the federal government.

Mr. Speaker, I wonder where we are going with such high interest costs, which must be paid by every Canadian. If my memory serves me right, every Canadian must pay $110 a year toward the national, provincial and municipal debt.

Mr. Speaker, how many bridges, miles of road, hospitals, schools and public utilities are not provided for the population because of this? These $9 million a day add to the wealth of financiers while the taxpayers continue to wait for the public utilities to which they are entitled and for which they have paid through their taxes.

The governments that allowed the public debt to increase uncontrolled are responsible for the useless spending of $9 million a day, the cost for servicing the public debt alone. This money should be used to meet the needs of Canadians rather than to add to the wealth of financiers.

Mr. Speaker, in 1970-71, the Canadian government lent $65,900,000 to the province of Quebec. Similar loans were granted to the other provinces under the same conditions.

Over 20 years the province of Quebec will have to pay the capital and interest, an amount of $162,900,000, that is about three times the total amount of the loan.

Mr. Speaker, those are figures that will give Quebecers food for thought and I am surprised that here, in this House, every time I address my colleagues concerning the monetary system, they do not seem to be interested nor to understand.

An hon. Member: They do not understand.

Mr. Tétrault: I realize that.

Mr. Speaker, the Social Crediters have repeated and will keep repeating several times that we ought to grant interest-free loans to finance public developments.

The only way to end the catastrophic indebtedness of municipalities, provinces and the federal government is to finance public developments through interest-free loans.

Some will say that granting interest-free loans does not make sense. I believe everyone knows that at the time when the Quebec premier went to Europe to borrow funds to finance the James Bay development, a former minister of Mr. Lesage's cabinet, Mr. Gérin-Lajoie, was in India lending money, interest-free, for a period of 50 years plus ten years of grace. If there is logic in that, Mr. Speaker, I wonder what it is.

Mr. Speaker, the federal government can, even today, use the Bank of Canada to grant interest-free loans to the provinces. The Bank of Canada Act authorizes interest-free loans to the provincial or federal governments for a maximum period of six months.

Mr. Speaker, why not offer the same advantages in Canada as in foreign countries, and grant loans for periods of "sixty years" instead of "six months"?

The Social Credit Party of Canada advocates the use of the Bank of Canada to finance the public sector and put a stop to disastrous running into debt which threatens to lead our country, one of the world's richest in natural resources, to the brink of bankruptcy.

Mr. Speaker, the list of figures I will give might be monotonous, but I want them in *Hansard* to prove to the people what kind of administration we have.

● (1540)

17 DEFICIT BUDGETS—2 SURPLUS BUDGETS

TOTAL DEFICIT: $6,316 million or $300 per Canadian

Year		Amount
1955	deficit	151 million
1956	deficit	33 million
1957	surplus	257 million
1958	deficit	38 million
1959	deficit	609 million
1960	deficit	413 million
1961	deficit	340 million
1962	deficit	791 million
1963	deficit	692 million
1964	deficit	619 million
1965	deficit	38 million
1966	deficit	39 million
1967	deficit	422 million
1968	deficit	79 million
1969	deficit	566 million
1970	surplus	393 million
1971	deficit	370 million
1972	deficit	600 million
1973	deficit	450 million

Mr. Speaker, those figures are food for thought for the Canadian population.

Earlier, the tremendous profits the banks are making were mentioned and once again, even though a list of figures is monotonous to listen to, I want to quote them.

A deposit of $100 in a savings account of a chartered bank entitles the bank to loan $1,250 at an interest rate, in 1974, of 10 or 12.5 per cent. Here is an example, Mr. Speaker. A customer deposits $100, and I quote from a table:

		Bank Deposit As Legal Reserve:	Savings Balance:
1—Mr. A.	borrows $100.00 at 10% int.	$8.00	$92.00
2—Mr. B.	borrows $100.00 at 10% int.	$8.00	$84.00
3—Mr. C.	borrows $100.00 at 10% int.	$8.00	$76.00
4—Mr. D.	borrows $100.00 at 10% int.	$8.00	$68.00
5—Mr. E.	borrows $100.00 at 10% int.	$8.00	$60.00
6—Mr. F.	borrows $100.00 at 10% int.	$8.00	$52.00
7—Mr. G.	borrows $100.00 at 10% int.	$8.00	$44.00
8—Mr. H.	borrows $100.00 at 10% int.	$8.00	$36.00
9—Mr. I.	borrows $100.00 at 10% int.	$8.00	$28.00
10—Mr. J.	borrows $100.00 at 10% int.	$8.00	$20.00
11—Mr. K.	borrows $100.00 at 10% int.	$8.00	$12.00
12—Mr. L.	borrows $100.00 at 10% int.	$8.00	$ 4.00
13—Mr. M.	borrows $ 50.00 at 10% int.	$4.00	$ 0.00
		$1,250.00	$100.00

Therefore, Mr. Speaker, the bank transformed $100 into $1,250, thereby creating a net profit of $125 at the end of the year on a $100 saving deposited in an account.

This is the way banks do business, Mr. Speaker, and it is unfortunate so few people are interested in the way we are being administered by them in Canada.

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic expansion): Mr. Speaker, there have been occasions in this House when I have taken advantage of the throne speech debate to be, what one on the other side of the chamber might term, hypercritical. But let me assure everyone that I have no intention of doing that today. Of course, there may be some regrets on that score. There are some important matters of government policy, and one or two other matters related to my own province, to which I should like to make reference, and I am delighted to see my colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), in the House on this occasion.

First, I want to associate myself with hon. members who have already spoken in this debate and who offered their congratulations to the mover and seconder of the Address in Reply. It was interesting and encouraging to note that both of those hon. members emphasized the plight of the less fortunate and deprived peoples of the world. While listening to them I was reminded of the old adage which says that if the problems of everyone in the world were put in one great heap and you could take back any person's problems you liked, chances are you would take back your own problems. Perhaps that is not entirely true in a world in which disparities are widening. However, it is true enough for us in Canada to recognize that, in relation to the other peoples of the world, those described by the mover (Mr. Stollery) and seconder (Mr. Pelletier (Sherbrooke)) in this debate, our condition is nevertheless one for which we should be extremely grateful. In fact, if we were to take that theory of putting all the problems together and apply that to countries, I suspect there is not a Canadian alive today who, seeing the problems of virtually every other country on the face of the earth and given the opportunity to trade Canada's problems for those of other countries, would not willingly take back our own. I think this is another reflection of how successful and fortunate we are.

● (1550)

We can say this without being smug or narrowly nationalistic, and also while being fully conscious that despite our good fortune, relatively speaking Canadians have severe difficulties of their own that continue to impede the basic objectives that I am sure all members of this House hold in common with the great majority of their constituents. One such goal that has been pursued by every Canadian government in history has been the reduction of regional disparities. There are probably more laws on the statute books, and more programs in both federal and provincial departments and agencies, relating to this subject in one way and another, than to any other. It could hardly be otherwise given the makeup of our country and the continuing necessity to combat a broad spectrum of natural forces in order to maintain and strengthen national unity and ensure for all Canadians a fair share of our national bounty.

Mr. Speaker, I do not want to turn this into a philosophical discourse, but I hope that hon. members will permit me on this particular occasion to remind this House that in just over three weeks' time my native province, Newfoundland, will celebrate the completion of its first 25 years of confederation.

Some hon. Members: Hear, hear!

An hon. Member: Welcome!

Mr. Jamieson: Having been very deeply involved in a variety of ways in the events leading up to that historic joining of our two countries, this may be an appropriate time to tell this House what we as Newfoundlanders expected from the union and the extent to which our expectations have been realized. Of necessity, these are personal observations, but I believe they will reflect the views of a great many people of my province. Today, all but a handful of us are happy to be Canadians.

Some hon. Members: Hear, hear!

Mr. Jamieson: That includes, I might add, those who favoured confederation and that substantial minority, including myself, who had doubts about the wisdom of union and who fought and voted against it. Incidentally, it says something about the rapidity with which time passes to observe, and hon. members may be interested in this particular statistic, that today, just 25 years after the event, no less than 60 per cent of our Newfoundland population has never known anything but Canadian citizenship. Put another way, only a rapidly shrinking 40 per cent of the people of our province can recall our days of independence. That is truly, I think, a really remarkable and, in some cases, frustrating reminder to us all of how fast time goes by.

It is satisfying and somewhat ironic that today I find myself a member of the government of Canada, a proud Canadian and even prouder member of this House of Commons and that I find myself the minister who has been given the primary responsibility for dealing with regional disparity, the problem which perhaps more than anything else, brought Newfoundland to accept union with Canada in 1949. The promise of that day was that our partnership offered us greater hope for the realization of our aspirations than if we remained outside the mainstream of Canadian life. Today, although much remains to be done, I say, without serious qualification and with a great deal of satisfaction as one who describes himself as a Canadian not by birth nor by conviction but by conversion, that confederation has been good, extremely good, for Newfoundland.

Of course, Newfoundland is not immune to the impact of the revolution of rising expectations. In material terms, however, the condition of the Newfoundland people today when compared to that of 25 years ago—and I am sure the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) would agree with me in this—is so vastly improved that had such gains been forecast even by the most enthusiastic confederate of the late forties, the unanimous judgment would have been that he was certifiably insane. The evidence of this progress is everywhere, but a single example will suffice. In the current year, 1974-75 the Department of Regional Economic Expansion alone, will spend, in Newfoundland, more than twice the total budget of the province in the first year of confederation. That gives you some idea of how dramatic has been the growth.

It is not difficult to see why the great majority of Newfoundlanders are avowed federalists; why we believe in a strong central government and that the whole is more important than its parts. This is not because Newfoundlanders wish to have their hands forever in the federal till. Being a proud and independent race, we long, indeed pray, for the day when ours will be a have, rather than a have-not province. That day, however, is not yet; and until it comes the commitment to our fair share, implicit in the terms of union, must be honoured. I am happy to say that this government recognizes and accepts that responsibility and I pledge it will continue to do so.

It is not an easy task. Economic and social progress are relative. Although we have shared in Canada's prosperity and its successes over the past quarter century, Newfoundland was so far behind, there was so much catching up to do that the problem of narrowing the gap, of coming closer to standards taken for granted in many of the more senior regions of Canada has been frequently frustrating and always difficult.

Of course, we are not alone in this dilemma. Regional disparities continue to plague many other areas also; areas that have belonged to the Canadian family for a much longer period than has Newfoundland. No one is more aware of this fact than I, especially because of my present responsibilities. I hope, within the time limitations of this debate, to give this House some of the strategies that I consider appropriate, at this point in time, for dealing with regional disparities. Before I do, however, I would like to make one further comment on the attitude of most Newfoundlanders toward confederation. I ask the indulgence of the House in this regard because I want to get it on the record.

I have said that our expectation is, and always has been, that we will be treated fairly. We can ask for no less for all other Canadians. This is true, whether we are speaking in economic or cultural terms. We were a distinct group, with our own traditions and heritage for more than 450 years before joining Canada. We are determined to retain that individuality and, in large part, I believe, we have been

successful. I believe, therefore, that we as Newfoundlanders, can understand and support the special aspirations of other groups and provinces, such as Quebec, when they seek equality of opportunity and the preservation of their distinctive characteristics. In one way or another, each of us in Canada is part of a minority and this is good for Canada. But distinctiveness in matters that are important to us, is no barrier to a strong federalism. Indeed, it can strengthen Canada as a land in which each of us respects and supports the rights of the other.

I will turn now to some specifics with regard to the Department of Regional Economic Expansion and some of the new approaches that we are adopting. The statement that economic disparities pose a threat to national unity has become a cliché; but it is true that eliminating these disparities is, as it always has been, one of our most difficult challenges. The approach this government has adopted is achieving results, some remarkably good. But, I am the first to admit that there is more that needs to be done. From time to time I have told various committees of the House of the general policy approach my department is adopting. If time permits, I will review these details later.

First, however, I believe members will be interested in proposed changes in the implementation of the Regional Development Incentives Act. This act, which became effective July 1, 1969, has been one of the instruments by which the Department of Regional Economic Expansion has sought to improve employment opportunities in slow-growth regions of Canada. Some of the records with regard to its achievements to date, its weaknesses and some of its failings, were published in the spring. Members have had ample opportunity to discuss them. I have welcomed suggestions from the various corners of this House as to how changes ought to be made and I believe that what I have to say will indicate that I have been receptive to a great many of those suggestions.

● (1600)

I turn, first of all, to the question of decentralized administration. Like all the other programs of my department, the incentives program will be administered out of ten provincial offices and four regional one rather than centrally, here in Ottawa, as has been the case heretofore. All projects will be evaluated in the provincial offices, with decisions on most smaller cases being made there. The delegation of authority will seek to maximize the responsibility of the provincial offices in the management of the program. The regional and headquarters offices will provide support in evaluating large cases or difficult ones when this task is beyond the resources of the provincial office to undertake. Most large cases, and those involving technical or complex considerations, will be referred to an advisory board on industrial incentives which will now be composed of federal officials from other departments as well as from DREE. I might say that, after reviewing this matter, it was not proposed to have representatives of the business community, however respectable, on the board which was evaluating incentive programs of this kind. This will now be done internally, with various inputs from the various departments to the government.

This decentralized form of administration will provide applicants with increased service, as they will be able to walk into provincial or regional departmental offices and discuss their applications with the incentive officers handling them. That, coupled with a more selective analytical approach aimed at reducing processing time, will provide applicants with decisions about their projects quicker than under existing arrangements. Again, this has been asked for widely, both in this House and outside.

The changes being introduced will call for the amount of the grant to be based on a standard formula according to the region and type of project. Here, again, I suggest there is a marked and distinct improvement over the old arrangement. In the Atlantic region, for instance, and this, I suggest, will be extremely important to the hon. members concerned, new facilities and expansions to produce new products will be eligible for assistance based on 25 per cent of the approved capital costs for buildings, machinery and equipment. This is something which I wish to bring to the attention of members, particularly those from the Atlantic provinces, because it involves a change in the method of payment for the number of jobs created.

Under the new scheme of things, we will provide 25 per cent with regard to fixed capital costs, plus 30 per cent of the average wages and salaries in the second and third years of operation. Up to now, the incentive per job has been based primarily on the number of jobs which have been created and has not had much connection with the pay rate for that particular job; so that theoretically at least, if the job paid $75 per week, the incentive was virtually the same as if it paid $150 per week. Under this new scheme we are taking a justified step to encourage enterprises in the Atlantic provinces in particular to pay decent levels of wages and we are saying, "The higher your wage bill is, the more return you will get in the form of incentive." We will do the same thing in other designated and special regions, and they will receive the same level of assistance except that, for obvious reasons, since wage rates tend to be higher outside the Atlantic provinces, the percentage of wages and salaries to be used in calculating the incentive will be 15 per cent rather than 30 per cent.

These new arrangements differ, as I said, from those under the old program, primarily in that there was no standard formula on which assistance was based. In a rather general way that assistance was based on a great many fuzzy criteria, if I may use that expression. Now, the applicant will have a much better awareness of the level and degree of assistance which he will be entitled to and, also, he will be able, in the great majority of cases, to get that assistance on a much more rapid and assured basis than has been the case up to now.

I should say a word about modernization and expansion with regard to producing more of the same product. In the case of a fish plant, say, which does not have the technique to create a new product line, the level of assistance will be at 20 per cent of the approved capital cost of plant and machinery, regardless of the designated region in which the facility will be located.

I wish to move on, because there is so much to say in such a short time. On the question of relocation—and this is bothering a number of people—it certainly was not our intention to move available jobs around the country. We have tightened up the regulations and we will demon-

strate in precise language, when they are promulgated, that although our current regulations exclude an incentive in an instance where a project would simply transfer existing jobs from one location to another within a designated region, the regulation change applies this constraint to all of Canada and makes incentives contingent on any plants of the applicant or parent firms manufacturing similar products anywhere in Canada continuing to operate at the same level as at the time of the incentive application. This will be welcome news to many who feel that under some circumstances, perhaps, shifts were made within the Atlantic provinces or within designated areas in order to take advantage of the grant provisions.

I will turn now to minimum capital costs. We have had many representations to the effect that the floor or minimum which we were prepared to consider for incentives was too high. One of the major features of the revised program will be the introduction of incentives for smaller projects. In line with government policies I and the Minister of Industry, Trade and Commerce (Mr. Gillespie) have seen what we could do for small business. We have discovered that there have been many worthy projects put forward to the department under the old program that did not qualify because their capital costs were lower than those prescribed by the regulations. I think hon. members should note that the figure is $60,000 in the case of a new operation and $30,000 in the case of an expansion.

In the case of a new plant or an expansion into new product lines, which is virtually the same thing, these costs must normally total $60,000. We will be reducing that to $25,000. To make it more flexible still, in the case of that kind of new operation the costs involved may be either $25,000 or there may be the creation of five additional jobs. So, we will be able to work with the small businessman in the manufacturing and processing sector in particular, in order to try to encourage that type of enterprise. We will also reduce the figure to $25,000 for straight expansion of existing product lines. The reduction in that case, from $60,000 to $25,000, is not so great. We have simply brought both into line at $25,000, for obvious reasons.

I now turn to another interesting and useful change we will make in the regulations. Again, I hope this will demonstrate that I have been listening to what hon. members on the committee and in this House have been saying. We will bring in a new program providing for an incentive grant which is to be repayable under certain circumstances. This will overcome special problems encountered in several types of projects. One type involves projects which will be very profitable if the products are quickly accepted by the market. Where the government risk is considered worthwhile, an incentive may be provided with the condition that, if certain levels of profitability and other performance stipulations are met, the incentive will be paid back. This is an example of new flexibility. In looking at the profit position of a particular applicant, it might be very difficult to justify an outright non-repayable grant, even if it could be demonstrated that the project itself is worthwhile.

Even large and often profitable companies find themselves in cash flow difficulties, which may lead to the abandonment of a project or to delay in its implementation. This provision will enable us to say to a manufacturer or processor or company to which this will apply, "We will provide you with the incentive; but, if your profit projections turn out to be correct, then there appears to be a case for recovering these moneys at some point when you are on stream and your balance sheet shows that you no longer need this form of assistance. I hope we will be able to cope with certain other cases by using this technique.

[Mr. Jamieson.]

● (1610)

Another type of project might not be able to attract sufficient financing at reasonable rates while, on the other hand, an outright grant might not be considered appropriate. In such an instance, a loan guarantee might be given if a suitable lender is available. However, where a lender is not available or the project might be lost because competitive funds are not available elsewhere, an incentive with specific provision for repayment might be a suitable instrument. Again, projects which might not have received an incentive can be assisted. I believe they can be assisted in a way which is consistent with our view that, while we wish very much to see industrial development take place in the slower growth parts of the country, we do not want, and I do not believe there is any necessity in some instances, to simply make public funds available as a gift. If the project is as good as the promoter says it is, surely the logic for some form of repayment, continued expansion or some other justification might deserve merit.

I want to touch on a few other modifications. We are going to change the qualification so that leased assets for incentives can be covered in certain cases. The forest industry, for example, often has a very large investment in terms of leased assets. Therefore, in order to accommodate the applicant, we will now embrace these, something we were not capable of doing before because they had to be fixed assets in the literal sense of the word. Something else we are going to do is adjust the list of eligible assets to include certain off-site assets employed exclusively for the operation. Here again I am thinking in some respects of the forest industry and some aspects of other types of manufacturing industry, for example transportation vehicles used between separate sections of the same facility. It seems to make eminently good sense to include these in the calculation of a grant.

There will be an addition of a few new activities to those already eligible for assistance. We discovered in some instances the definition of manufacturing and processing had to be broadened to some degree. I may say I am open to other suggestions beyond the examples I am giving today, but the type of thing is grinding, mixing and blending of fertilizer and feedstuffs, drying of hides, cleaning or drying of peat or Irish moss, certain transporting and merchandising activities and most types of concrete and asphalt mixing. These have now all been included in the program.

Some hon. Members: Hear, hear!

Mr. Jamieson: There will be an increase in allowances for cost over-runs for payment. Members have asked me on occasion what we are doing with regard to the possibility that, with today's circumstances, estimates might well get out of hand in some respects and a project, after it had

been partially launched, might run into difficulty. At the present time we allow for a cost over-run of 15 per cent. It is now our intention to make that 25 per cent. This will take care of and answer that question that has been asked frequently about what we are doing with regard to compensating Atlantic provinces industry because of higher energy costs and things of that kind.

We are going to make changes in the provisions governing equity to provide greater flexibility in the time of payment of the equity participation. I believe this will be welcomed by certain applicants.

Another one members made representations on, and which I have come to believe is correct, has to do with the loan guarantee program and the magnitude of the loans and the minimums we will guarantee. This matter is of particular interest to tourist operators, for example. In this case, the loan program is available to certain new commercial undertakings and to new expanded and modernized manufacturing and processing facilities. In revising this, the guarantee fees will be lowered and the minimum capital costs required for a commercial facility to be eligible will be reduced sharply from $252,000 to $100,000. This will be very much of an improvement with regard to the number of people who can take advantage of the loan guarantee.

With regard to the payment procedures, we do not propose to make any change in the current requirements. That is, no monies are paid until I, the minister, am satisfied that the project is in commercial production, has been for a period of 30 days and the number of jobs are in place. In short, it will still be a question of proving that the project is operating before we pay them 80 per cent. The other 20 per cent, of course, is retained over a further period of time. I do not think there is any wisdom in making alterations to that.

In addition to the assistance which will be available under the revised incentives program in designated areas, that is those regions of the country which are marked as being eligible for RDIA, we have also taken into account the representations of members who have stated they cannot get incentives in their areas because they are not covered by the incentives program.

To date I have signed four general development agreements with the provinces, one with Newfoundland, one with Ontario, one with Alberta and one with Saskatchewan. I anticipate signing with Quebec probably next week, and with the other provinces before the end of the current month. Under these general development agreements, it will be possible for the federal and provincial governments to agree to support a major development opportunity in any area, whether it is in the designated section or not, provided the two governments are satisfied it will make a worthwhile contribution to the economic development and improvement to that area. I am sure the hon. member for Saint-Hyacinthe (Mr. Wagner) will welcome that particular piece of news.

I would like to say that I am very pleased with these changes in the incentives program. They have been worked out in consultation with the provinces, and will make that program a more effective instrument in our regional development efforts. The date on which they will be implemented will be announced as soon as final arrangements for the transition from the old program are completed. Hon. members will appreciate there is a problem of getting from one program into another. It should not be more than a few weeks. Of course, before it becomes official, it will have to be gazetted, but that is all that remains to be done.

As for the general policy changes, I am very happy that the new approach has been, and I do not need to qualify this, universally welcomed by the provinces. As hon. members know, I have been back and forth across the country and there has been legitimate and, I believe, mutually satisfactory consultation on a wide range of matters, not simply the incentives program with which I dealt in detail, but the whole question of how we will approach with each province what they see as their priorities in terms of reduction of regional disparities and the improvement of slow growth areas.

One of the important discoveries, perhaps that is not too broad a word, that has emerged from this or has certainly been reaffirmed by this exercise is that a blanket program which falls with equal weight in each area of the country is clearly not the most rational approach. Individual governments have individual priorities and see their province proceeding in a particular way. Therefore, on that ground alone there is the necessity for us to the best of our ability to accommodate what provincial governments legitimately set down as their goals and objectives.

The second point is in a country as vast as ours, the opportunities vary markedly as to their size, availability and type. I will give hon. members just a few quick examples.

Mr. Speaker: Order, please. Before the minister gives examples to hon. members, I must remind him and the House that the minister's time has expired unless he has the consent of the House to continue.

Some hon. Members: Agreed.

Mr. Jamieson: Thank you, Mr. Speaker. I am grateful to the House. I will not give too many examples. I merely want to illustrate the kinds of things we are talking about. In Saskatchewan, several proposals for subsidiary agreements are already in the discussion stage, involving such areas as steel and metal-related industries and joint government action in the Qu'Appelle Basin to increase employment through the development of year-round recreation and tourist facilities. There will be others. In Ontario we did our first one in Cornwall, as you, Mr. Speaker, will know.

● (1620)

Some hon. Members: Hear, hear!

Mr. Jamieson: In Alberta, one of the matters which I discussed at considerable length with the appropriate minister there is, for instance, combined effort on the up-grading of agricultural products, the value added to agricultural products. We want to assist in that. In Quebec, of course, there are industrial opportunities of a variety of kinds plus opportunities for the development of industrial parks and the various infrastructure supports which are

necessary in order to induce industries to come to a particular region.

Mr. Speaker, I have taken altogether too much of the time of the House. I hope members will appreciate that this has been a very busy 12 months trying to put all these pieces into place. I hope they will realise that there has been no unnecessary delay but each one of these schemes has required individual discussions with individual provinces and with a great many governmental departments. However, we are off and running, and I look forward to a productive period ahead in carrying out the government's commitment to reduce regional disparities in Canada.

Some hon. Members: Hear, hear!

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, may I first of all, on behalf of my constituents in Medicine Hat, offer warm congratulations and best wishes to our newly-appointed Governor General, His Excellency Jules Léger, and to his most gracious wife, Madame Léger. I should like to assure Their Excellencies that a genuine western welcome, even a southern Alberta welcome, awaits them whenever they choose to visit Medicine Hat.

I should also like to extend my congratulations to the mover (Mr. Stollery) and seconder (Mr. Pelletier) of the Address, with particular reference to the hon. member for Sherbrooke (Mr. Pelletier) whose speech I enjoyed very much.

There are two subjects I wish to deal with this afternoon. The first is a very important local issue—indeed, in many respects it is truly a national issue. I refer to the closure, recently announced, of the defence research establishment at Suffield. Second, if time permits, I propose to make a review and assessment of the serious and immediate crisis confronting the Canadian cattle industry.

Mr. Speaker, Friday, February 22 was a bad date for the city of Medicine Hat. I am referring to the announcement by the Minister of National Defence (Mr. Richardson) that the defence research establishment at Suffield would be phased out. On that date, too, the minister announced that a new defence research establishment would be established in the Winnipeg area, representing a capital expenditure item of $11.5 million and an annual maintenance cost of $6.5 million. In the government announcement it was stated that the new facility at Winnipeg would not mean any increase in the defence research budget since both funds and personnel would be transferred from other defence research establishments. With the greatest respect I suggest this new announcement means another $11.5 million of taxpayers' money, plus the operating costs, and is indeed a substantial increase in the government's budget. I think it is important hon. members realise that the facilities being replaced have a probable total capital value of some $40 million.

Let me briefly review the history and background of the Suffield research station, because I think it is important to do so. These facilities were created during the second world war as an army base. The station was formed through the acquisition of about 1,000 square miles of farm and ranch land along the west side of the South Saskatchewan River. The headquarters are located some 25 miles northwest of the city of Medicine Hat, just north of the village of Suffield. The Defence Research Board took over the base in 1946. Headquarter facilities occupy an area in excess of 120,000 square feet of building space presently in use. The central laboratory alone occupies approximately 64,000 square feet. The Suffield Research Library contains 20,000 volumes. Building construction since 1947 has cost about $12.6 million. Prior to 1947, both the Canadian and British armies were involved in the wartime operation of the station. At the present time the Suffield payroll amounts to $2.5 million a year, nearly all of which is spent in the communities of Medicine Hat and Redcliff. This generates a tremendous amount of activity, business, social and otherwise.

The scientific, technological and research involvements of Suffield are legendary in Canada. Indeed, they are continental in their scope. Universities which have been associated with Suffield include the University of Alberta, the University of Calgary, Queen's University, the University of Saskatchewan and the University of Victoria as well as the Technical Institutes of Northern and Southern Alberta in Edmonton and Calgary. Industry in Canada, the United States and the United Kingdom has also been involved in co-operative research because of the wide expertise available at this Suffield station. Computer facilities are available and have been used by agriculture departments.

One of the more spectacular and advertised activities at Suffield is the explosives testing program carried out by the Department of Energy, Mines and Resources, a program made possible by reason of the vast extent of the back-up area—1,000 square miles. Currently this area is being used for a United Kingdom army tank training program now in the third year of a ten-year contract. Some 184 families depend upon the research establishment for their livelihood. A good many of them have been there for more than 20 years. Many more Suffield residents are actively involved in the supply and service aspects connected with this institution.

In the period since the minister made his announcement not two weeks ago, I have received more letters, phone calls, telegrams and personal representations than I have received on any subject or issue since my election. They include representations from city council, the mayor's office at Medicine Hat, the Chamber of Commerce there, various unions on behalf of employees directly affected, and other organizations.

If, as the member of parliament for this area, I might summarize the views expressed in all these communications, I would do so along these lines. First, and foremost, this question was raised: if the research establishment in Canada needs to expand its northern operations and its activities in the field of search and rescue, as suggested in the announcement, if the government really believes in its policy of decentralization, particularly as it applies to the west, and if part of the Ottawa defence research establishment must be moved, again as indicated in the announcement, why should these activities not be added to those carried out in the existing excellent facilities at Suffield instead of building a new research establishment at Winnipeg for a further $11.5 million?

● (1630)

This afternoon in Suffield and Medicine Hat the minister's special assistant, Mr. Jim MacNicol, is hearing the views of all concerned about this decision to close down the research establishment at Suffield. In conversation with him before leaving for the west I asked him whether he was going to explain the government's decision. He quickly responded that he was making this special trip to listen to all who wished to meet with him, and I am sure that Mr. MacNicol will hear a very strong and united voice today asking that this Suffield decision be immediately reconsidered.

It seems to me that this decision is decentralization in reverse. By that, I mean it is moving from a 30,000 population city, Medicine Hat, to a 550,000 population city, Winnipeg, which actually is Canada's third largest city. This is reversing the east to west, and indeed the south to north, moves that most of us feel are so necessary to properly develop western Canada. Many of the letters I have received told me of serious personal involvements which will result, such as moving east when retirement plans have already been started in southeastern Alberta. The minister's reply to my question on February 28 suggested that I was aware that "the research establishment at Suffield has been phasing out for several years". Of course, I and the entire Medicine Hat community were totally unaware of this defence department of Defence Research Board decision until that day, February 22, which was less than two weeks ago. In retrospect, it probably would have been much better had we all been informed several years ago.

In summary, then, concerning this Suffield decision I most earnestly and seriously ask the Department of National Defence, and especially the minister of the department, to consider carefully the implications of this decision on the Medicine Hat-Redcliff community which I have the honour and privilege of representing. If improvements and additions are necessary in defence research establishments in Canada, why not at Suffield? I ask the minister seriously to consider this question.

I want to make a few comments about the cattle situation, but before doing so one of the letters I received on the Suffield issue suggested that perhaps I was more interested in cattle than in people. By coincidence, over the last two weeks I have also received almost as many communications on the fat cattle market crisis in which this industry is presently involved. These letters have come from a very wide cross-section in both western and eastern Canada. Because it is a national issue and because I have been spokesman for the Canadian Cattlemen's Association, I should like to comment on the current cattle situation.

For the second time within the last six months a fed cattle market crisis has occurred in Canada due primarily to the direct and indirect involvement of last year's freeze on beef prices in the United States. Live fat cattle prices in Canada have dropped eight to 10 cents a pound over the last three weeks, to a current level of about 42 cents in the west and around 44 cents in Ontario. Feedlot costs of gain in the west are 55 cents to 60 cents a pound, and probably a little lower in the east. Actual cash losses per head on most fat cattle sold over the last three months range from $100 to $150 per head. This is continuing and the situation is getting worse. In retrospect, the only way these losses could have been eliminated would have been to stay completely out of the cattle feeding side of our industry. Live fat cattle imports from the United States since January 1 have increased from 2,154 in 1973 to 29,114 in 1974, a 14-fold increase. There has also been a 50 per cent increase in the tonnage of offshore imports of carcass beef, exclusive of United States imports. This, of course, is the main reason for the dramatic drop in fat cattle prices today.

Our Canadian domestic marketing of fed cattle—by that, I mean grade A and grade B—are down 32,000 head, which is 10 per cent, for 1974 over the same period a year ago, that is, from January 1. However, we are not short of fat cattle in Canada. It is now apparent that there is a holdback from market of fat cattle both in western Canada and in Ontario. We should keep in mind that the largest calf crop in our history is about to be born both in Canada and in the United States.

Over the last three weeks between 7,000 and 8,000 fat cattle have been imported weekly, nearly all coming into Ontario. This is about two-thirds of eastern Canada's fed cattle weekly kill numbers. The week that is just ending tomorrow will likely see the largest number of imports for the year. A direct result of this is the extreme difficulty of getting bids on feedlot cattle, especially in western Canada. The packers are backing up because there is no outlet for their carcass beef in the east. Another result has been the extremely light deliveries in both east and west since practically no cattle are being offered. For example, today on the Toronto market there were only 600 cattle in total offered for sale.

On February 25, the Canadian Cattlemen's Association presented both a short-term and a longer-term recommendation to the Minister of Agriculture (Mr. Whelan), the Minister of Finance (Mr. Turner) and the Minister of Industry, Trade and Commerce (Mr. Gillespie). The long-term approach has been suggested by long standing United States import quotas of 400,000 head per year, with appropriate quarterly quotas. In addition, the United States charges a 10 per cent ad valorem tariff on certain imported cuts of beef. Canada has no quotas on live cattle or dressed meat imports from any country. In addition, we have no equivalent to the United States ad valorem tariff.

The cattlemen have recommended that Canada should insist on a reciprocal, proportional quota system involving United States exports to Canada that would allow 40,000 head per year, or 12,000 per quarter. These figures are in the approximate ratio of the cattle populations of the two countries, which is ten to one. Because of the time lag to negotiate and to institute this quota provision, the cattlemen have also insisted on provision for a short-term, temporary tariff that would automatically increase with increased import levels. On Tuesday evening last, March 5, a seven-man delegation presented this proposal to our Minister of Agriculture in somewhat more detail than I have outlined here. After their presentation the delegation indicated considerable disappointment and frustration in that the minister did not seem to indicate any immediate and positive action.

● (1640)

I should like to say a word or two about this DES situation, since diethystilbestrol is again in the news. DES is now legal for use in cattle feeding in the United States. Implants of DES are presently available and in use in the United States. The feed additive form of DES will also be in use within 30 days when new supplies become available in that country. Canada's ban in respect of DES still stands and the Minister of Agriculture announced just a few weeks ago at the CFA convention in Saskatoon that it would not be lifted. Technically, I suggest that Canada has two alternatives: Either to re-licence the use of DES in Canada or institute a complete embargo on all imported fed cattle and beef from the United States. The cattlemen suggested that a monitoring or certification procedure on imports is not a practical method and would not be acceptable since it is literally impossible to tell whether an animal has been fed or treated with DES, and certification is begging the honesty of the industry in the United States.

By coincidence, the United States announced in a news report yesterday morning that their DES-free certification program was about to be launched. This announcement pointed up the fact that the United States is anxious to protect their very excellent export market for cattle in Canada, and also pointed up the fact that last year this market alone totalled some $141 million. I am entirely satisfied that the proposals of the cattlemen are both reasonable and workable and merit the full support of all hon. members in this House. Last fall during the first such crisis only the feedlot operators were hurt, while the cow-calf and grass yearling producers sold their cattle on very strong markets. Now, however, the entire industry is sharing the impact of the fat cattle market price, and this is why it is much more serious now than it was last fall.

If the feedlot industry in Canada is to survive, it must recognize that high feed grain prices will likely continue through the balance of this year and most of 1975. I suggest this is due to the world shortfall position on feed grains. The industry must also realize that there will be an unofficial fat cattle market ceiling established by consumer resistance at retail outlets. These two situations will dictate much lower prices for feedlot replacement cattle, perhaps as low as 40 cents a pound. We in Canada should not forget that we are a net importer of cattle and that almost all of our imports are fat cattle coming into Canada for slaughter. This has been the case for several years. Our imports come mainly from the United States, with lesser amounts, coming from Australia and New Zealand. The United States is also a net importer of beef and cattle, being probably the largest importer in the world.

The throne speech contained a very specific reference to our cattle industry and I should like to quote one sentence as follows:

> —incentives to increase the production of livestock necessary to provide for Canadian and export markets.

The present and future life of the Canadian cattle industry is now seriously in question. Cattlemen are not asking for subsidies or handouts, but only for a fair and equitable opportunity to compete with our United States neighbours in this same cattle industry. Our own Canadian industry is a $1.5 billion industry at farm gate values. That is how much it was worth last year and slightly less in preceding years. It is the largest agricultural commodity group in Canada today and it is worth saving. To save it we will require genuine understanding and some immediate action by government.

[Mr. Hargrave.]

Hon. Bryce Mackasey (Verdun): Mr. Speaker, I had intended to participate in the debate by referring to an entirely different subject, but the remarks of the hon. member for Hastings (Mr. Ellis) this afternoon, and his attack on unemployment insurance, leave me very little choice but to answer some of his allegations. I do not intend to do so in a personal manner as I have never in the 12 or 13 years I have been in the House found it necessary to be abusive.

Before speaking about unemployment insurance, I want to follow tradition by paying tribute to the mover and seconder of the Address in Reply to the Speech from the Throne. It is significant that the mover, an hon. member from the greater Toronto area, reflected upon a comparison of affluence in Canada with the affluence of those countries vaguely referred to as being in the third world, whereas the seconder in a very deep and thoughtful speech reminded us of the poverty which still exists in Canada. Galbraith in "The Affluent Society" suggested that it is hardly beneficial today for politicians to ally themselves with those who are very poor, since in this industrial era, in north America particularly, the poor represent a very small minority, very inarticulate and very passive, and, quite frankly and bluntly, to be allied with them can quite often be a political detriment.

Poverty does remain in Canada. Those economists who think you can eliminate poverty by simply giving everybody a sum of money per week fail to understand the difference between being hungry and living in a poor environment. There are whole areas in Canada which, because of poverty, regional disparity, geographic location and the inability of having someone articulate on their behalf, find that they have substandard roads and substandard schools, because teachers do not want to move in and teach in these areas, as well as substandard medicine, because doctors do not want to go too far away from the centres of learning. So poverty has come to mean to too many Canadians more than just the absence of dollars and cents, but has become in reality the absence of opportunity. This parliament, including members on all sides, as I have no monopoly of concern for the poor, should remind itself periodically that there are still many thousands of Canadians whom one might consider to be in the poverty category rather than just hungry in the evening.

The hon. member for Hastings referred to a 1970 paper of which I should have been aware, having something to do with disability. I looked puzzled because disability has nothing to do with unemployment insurance but workmen's compensation. I can only presume he was talking about maternity and sickness benefits. I went back to my office and found about three and a half feet of paper on the subject, including the Mercer report and various discussion papers. The hon. member is welcome to go through them.

● (1650)

I know there were many estimates of what the cost would be of these particular sickness and maternity benefits. There have been papers prepared and sooner or later one will come out which might suit me or one might come out which would suit the hon. member, but very little will be proven. What has been proven is that previous to the Unemployment Insurance Act only 15 per cent of Canadian workers had any sickness benefits and only 3 per cent had maternity benefits—one of the prime recommendations of the Royal Commission on the Status of Women. The hon. gentleman is entitled to his opinion. I think from my discussions with him that he is serious, so I respect him; but that does not necessarily mean he is right when he says that the trade unions are upset and are complaining about the practices of the Unemployment Insurance Commission. Let me say to him that next week when the Canadian Labour Congress appears before the cabinet we will learn whether they believe the commission is being operated properly, whether it is too lax, or whether it is operating too severely. This will be a very interesting meeting.

I do not usually quote economists because, as someone once said, the main purpose of the study of economics is to make certain that an economist does not fool you. There are, I suppose, as many economists as there are scientists, but unlike scientists they are the only people I know who can be well paid for anticipating something and then even more highly paid for explaining why their anticipation went wrong. Nevertheless, there are some good and valid economists. I think of the report put out by the C.D. Howe Research Institute which I believe is as independent an organization as one might find. I should like to quote one small section from a book put out by the institute written by Judith Maxwell and Carl E. Beigie:

> In an earlier section of this chapter, we concluded that Canada does not have the plant capacity to employ all the labour available for work, and we also concluded that unemployment will rise in 1974 because of slower economic growth. One further conclusion that seems obvious is that Canadians should not consider the unemployed to be welfare bums. If, in fact, the unemployed are expected to work, then Canada has failed them by not providing jobs. This means that the country owes them an adequate income either from unemployment insurance, manpower training allowances, or the welfare system.
>
> Many Canadians believe that programs making transfer payments to persons are already too expensive, and the Economic Council of Canada has urged the three levels of government to reduce the growth of these expenditures to an annual average of 11 per cent. While this is an admirable objective, it loses sight of three basic facts:
>
> The high unemployment of recent years places a greater burden on transfer programs, as explained above.
>
> The sophistication of modern medicine means that many ill, injured and aged people are kept alive when in other societies they would not survive. This means that the population of handicapped people is relatively larger here and, in addition, that Canada keeps them in greater comfort than do many other societies.
>
> Transfer payments must keep pace with inflation. To set a target of 11 per cent a year when prices are rising by 8 per cent means that the country has made a very small transfer of "real" income. Once the transfer payments system is perfect—which it is not—

There is a footnote referring to the Special Senate Committee report on Poverty in Canada.

> —the growth rate should be at the same pace as inflation. But the system needs dramatic improvement first.
>
> In summary, then, the main policy response to higher unemployment in 1974 should be to provide either incomes, training or jobs in community work for the people who are effectively locked out of the economic system.

Mr. Speaker, you either believe this or you do not.

Mr. Alexander: Mr. Speaker—

Mr. Mackasey: Perhaps the hon. gentleman would permit me the luxury of half an hour without his usual intervention.

Mr. Alexander: Mr. Speaker, I just want to know the year of the article. I do not mean to detract from the minister's time.

Mr. Mackasey: It is 1974. I think it is ten days old as everybody should know who is interested in the subject. It has been in every daily newspaper, except perhaps the Hamilton *Spectator* in recent weeks. The term "welfare bums" is a despicable expression. That it should be used in connection with the people drawing unemployment insurance or even welfare is nothing of which any Canadian should be proud. According to a study of health and welfare, and the study by the C. D. Howe Institute, perhaps 14 or 15 people out of 100 on welfare could work if work were available. People who do not work because of the absence of day care centres and those who are chronically ill, mentally retarded and those who are third generation welfare recipients, or unfortunate alcoholics are not the type of people who work even in this time of affluence, and rather than call them welfare bums or resent the $1.40 or $1.90 or $2 a week that we contribute to UIC or welfare, we should thank God we are not part of the welfare trap ourselves.

It is ironic that the first voice that should be raised in respect of an inquiry into the Unemployment Insurance Commission should be from the construction industry. Anybody who knows anything about labour—and I know the hon. gentleman who speaks for manpower does—and anybody who knows about technological change in the Labour Code will know it has not cost this country one day of labour unrest but on the contrary has resulted in many settlements. Amongst the leaders against that particular legislation was none other than the construction industry. But, what industry depends more on federal handouts than the construction industry in general? Unemployment insurance is the greatest handout and subsidy to the employer in the construction industry of any industry in this country and I am sure they would be the first and the greatest opponent of the concept of merit training which would place the responsibility right on the employer in the construction industry to provide his workers with a guaranteed annual income or would at least cut down on the characteristic of the construction industry today which is if you lay the cornerstone at 1.30 you fire the workers at a quarter to two. The government will look after them through one of its programs.

A construction firm can go from 800 employees to a telephone answering service, a secretary and one architect while the boss suns himself in Miami as the federally sponsored project comes to an end. Perhaps the inquiry should not be into the Unemployment Insurance Commission but rather into the construction industry and the way

in which these people manipulate funds from the government. They build at a time that suits them. They do not spread the work across the year and in this way avoid the responsibility for fringe benefits and for a guaranteed annual income or some legal obligation to their workers. The problem with unemployment insurance is that it is a complex piece of legislation and all members, including members opposite, I am sure realize and appreciate this.

In the act, I believe in sections 108, 109 and 110, there is reference to an advisory committee which has power to inquire. That committee did inquire in October 1973 into the administration of the Unemployment Insurance Commission. The final report of that advisory committee was placed on the table in October. It was a unanimous report. One of the signatories to that report was none other than the representative of the construction industry. I would welcome a public debate with Mr. Durocher any time he has time to spare from his lobbying from department to department to see what he can accomplish on behalf of the construction industry or what he can do to build up strength to reduce the federal sales tax on building materials.

● (1700)

The Leader of the Opposition (Mr. Stanfield), for whom I do not hide my affection and concern, perhaps because he is a fellow maritimer, has always shown concern for people, as well he should because in the years when he was premier of Nova Scotia the average unemployment rates in that province were 20 per cent, 21 per cent and 22 per cent, and these were acceptable and considered normal. But now he comes along and at a $100 a plate dinner the other night says we need an investigation of unemployment insurance, not to see if it is administered properly but to see if it contains disincentives to work.

I point out that this is an act which provides an average of $70 a week, or about $1.75 an hour. What are the disincentives in such an act into which the Leader of the Opposition demanded an inquiry when speaking before "poor" people who had to pay $100 a plate for their dinner? It was great stuff politically, but let him come down to the Verdun anti-poverty association and I will arrange a bean supper for him at 50 cents and he can ask those people what disincentive they find in unemployment insurance. They will tell him all they want is work, that that is all they are seeking.

To suggest that Canadians are lazier than Americans shows a distrust of Canadians, a distrust of workers. It is an insult to suggest that the average European, the average American or the average Canadian does not want a decent job, something that will challenge his initiative and be compatible with the level of education that we provide in this country. If we educate the children of the Atlantic provinces who previously may have been denied secondary education, or even high school education, for financial reasons and then call them lazy bums when they come out of high school and will not work in a tavern cleaning off the tables, we should remember that we ourselves would not do that.

But perhaps the policy of the Conservative Party is to go back to the days before we had unemployment insurance. I say read "The Lost Years," by Broadfoot, before advocating that. Incidentally, Mr. Speaker, I was out in that beautiful part of the country, Alberta, in Edmonton, and talked to some 700 people there. There were many who had lived nine years on welfare, others who saw their farms disappear in the dust bowl and others who simply packed up their belongings and abandoned their farms. Because they drew $14 a month welfare in those days they were not allowed a radio licence, a beer licence, and certainly not an automobile licence, in case some of that money may have been wasted on a glass of beer, in case they may have stayed at home listening to the radio, or in case they bought a gallon of gas to go for a ride on Sunday. I ask hon. members opposite, is that the type of Canada to which they wish to return? It is the type of Canada we will see if they continue this unalleviated harassment of unemployment insurance, particularly if they do not base their criticism on facts.

[Mr. Mackasey.]

I ask the opposition to remember that the press of this country has intelligence and that the press gallery in this chamber is not for sale to the opposition, to me or to anyone else. Rather, it is an extension of the House of Commons. Instead of feeding more and more on the question period, members of the press gallery are doing their homework; they are delving into the situation and finding the facts. For example, in Saturday's Montreal *Star* there was an article by James Stewart, who used to be in the press gallery 10 or 15 years ago and who spent a week or two studying unemployment insurance before writing about it. This is what he says about it:

> In the eyes of the Canadian Labour Congress and the Confederation of National Trade Unions, in fact the law is already proving too restrictive and punitive, offering few improvements over the old system for some workers, and leaving too much influence in the hands of employers.

It is too long an article for me to read it all, but perhaps I might read his conclusion first and return later to other sections of it.

> It looks more and more as though the bosses who scream loudest about the unemployment insurance scandal are part of the scandal themselves. They're simply lousy employers.
>
> Perhaps the inquiry people have been asking for should go beyond the ski bums and maternity claimants.
>
> It should look deeply into the big operators in the cheap labour market, the companies that lay-off at will, using UIC as a crutch to protect their profits, as a subsidy to reduce their obligations in sickness and maternity benefits, and as a scapegoat for their own shabby employment habits.

I take my hat off to Jim Stewart who had the courage to point out what too many of us here already know. Then he writes about the case of a woman as follows:

> A woman, growing older and a bit slow, was laid off from her office cleaning job. She got something like $35 a week in unemployment insurance benefits, but she was told she had to prove a daily active search for a job.
>
> She did this for a few weeks. Then she complained to her member of parliament that her diligent and vain search for work was costing her, in bus fares, $8 to $9 a week of her $35 benefit. Outraged, he told her to go home and relax, and if she had any trouble to call him.

I might say that it was a Conservative member of parliament who went to her rescue. Why couldn't she get another job, Mr. Speaker? She was 59 years old and she was no longer productive for the firm that won a federal office cleaning contract. She just could not wash enough floors between midnight and 8 a.m. to provide a proper

income for that enlightened employer, so he finally dismissed her. She went on unemployment insurance. She complied with the regulations which say that you must be actively seeking work. This cost her $8 or $9 a week in taxi and bus fares and finally she complained, as she had every right to do, to her member of parliament.

One of the complaints we have heard from the hon. gentleman from Hastings is his inability to get information. He always asks, "What are we hiding?" Mr. Speaker, any information I get is public. There is the Auditor General's report of October 5, 1973, which can be obtained from the library by any member of parliament. Statistics Canada will give you the complete breakdown of disqualifications and disentitlements monthly if you ask for it. Then there is the annual report of the Unemployment Advisory Committee which was tabled on July 7, 1973. There is nothing that is hidden. What is really the problem is that too few people understand how the act works; too few people care; too few people have the courage to speak for the poor, because to speak for the poor in these reactionary times is a political liability, and there are too many people in this House of Commons who judge their success by their ability to get re-elected, and nothing else.

I have said many times, and I have written innumerable articles on this, that I will accept any amendment to the Unemployment Insurance Act that will improve it. But I will not accept anything that will drive the poor people into the hands of unscrupulous employers, that will drive them into conditions that are deplorable and that are bypassed by inspectors who never get around to inspect such places, or that will drive them to accept work with employers who pay only the minimum wage or below the minimum wage. There are ample cases of this in the evidence already available.

Employees in this country have never been quite so well off. It was only a couple of years ago that we were crying about unemployment. Today we are bothered by too much affluence and labour-intensive industry cannot find people to work for $1.25 an hour in Prince Edward Island, $1.50 in New Brunswick and $2.25 in Toronto for the one simple reason that you cannot live in Toronto on $2.25 an hour.

Maybe I am wrong, Mr. Speaker, but we never hear very much when we ask the opposition: what would you do to improve the act? I come back to the same argument that I used a year ago. We can throw the fishermen off, if you like. By strict definition they are employed. If you want pure insurance of the private nature, I say throw the fishermen off who are employed, but I doubt if anybody on the other side of the House from the Atlantic provinces or from any province, if he has the slightest humanitarian instinct, will get up and make such a suggestion. You can throw out the woodworkers who work piece-work in the middle of the woods. They are self-employed. Why not make that suggestion if you want to save money?

● (1710)

What is the disincentive the Leader of the Opposition is talking about? What are the disincentives in a man receiving $107 a week unemployment insurance when he had to earn $170 or $180 a week, or more, in order to get that $107? What are the characteristics of the man in Canada who earns $180 a week? We have studied the facts and here they are: he has a mortgage, he has car payments, he has life insurance payments, he has a child in secondary school. If he is thrown out of work at age 48 for the first time in his life, he can postpone such expenses for about three months. Is he going to quit a job that pays $180 per week or more to draw unemployment insurance of $107 per week, and not sure if he can find work again? Where is the disincentive? There may be disincentives at the bottom end of the scale where some poor fellow is getting $2 an hour on the Gaspé peninsula and can now draw $1.33 and says to himself that for 67 cents an hour it doesn't pay to go back to work at what he was doing. Would you drop the $1.33 and put that person on welfare, or would you raise the minimum wage?

Have hon. members opposite stopped to figure out what the average benefit is based on? It is 66 ⅔ per cent of what the industrial income of this country is, subject to taxation. What were the old rates? They were 50 per cent, non-taxable, in 1968. When you calculate the rate of inflation between 1968 and 1974, you find that the man drawing $107 is earning less, in proportion to what he was getting when he worked, than the man who was getting $53 maximum, in proportion to what he was earning when he worked. Yet people use the phrase "generous unemployment insurance benefits". Sure we distributed $2 billion last year. Again, I have the tables but I do not intend to get into them. Most of that $2 billion went into the areas of the country which needed the money—the Atlantic provinces, northern Ontario, northern Saskatchewan, the province of Quebec and the Gaspé area, to be spent by the poor in the areas where it should be spent.

How many people know that you cannot draw benefits in Toronto under any conditions for more than 23 weeks if you have 19 or less weeks' work attachment, as opposed to 52 weeks before, because of the level of employment in that particular area? How many people know that the country is divided into 16 regions and in eight of them the limit that you can draw unemployment insurance is 23 weeks, and then you are thrown off if you happen to miss one of the blitzes for which we are very famous.

Mr. Speaker, when all parties put the act together, we were not unaware of abuses. In 1968 I ran a campaign, as minister responsible, against abuses that won first prize in Marketing Magazine. That was a big deal, I suppose. It was harsh enough for Dalton Camp, that small "l" liberal, to take me apart in his column. I thank him for that because I still have the column. It reminded me that in my zeal to be efficient in running the unemployment insurance program I was unintentionally abusing the act myself and throwing people off that act for the simple pleasure, I suppose, of running up statistics. That was in 1968.

When we drew up this act, some of the officials in charge of benefit control had been with UIC since 1942 when the act first came in. We plugged every possible loophole. When you talk about eight weeks' work attachment, do not compare it to 20 weeks; compare it to seasonal benefits. People who are familiar with unemployment insurance know what I am talking about. Under the old act, with no week's attachment between December and May you could draw unemployment insurance benefits

and call them seasonal benefits. That has been eliminated. We lengthened the waiting period from one week to two weeks so that we could review more thoroughly the applicants to make certain they were qualified. That is paying off. If you look at the statistics, you will see that about three times as many people are disqualified for leaving jobs than in the old days. Because more are leaving, or because they are apprehending more with more efficient methods? It depends which way you want to look at it.

Mr. Yewchuk: You should get a new speech, Bryce.

Mr. Mackasey: Virtually every abuse under the old act has been plugged, and yet members keep coming back to the fact that it is abuse-riddled. Mr. Speaker, if people want to go from eight weeks to 12 weeks, go ahead. Maybe you save $50 million out of $2 billion. In Newfoundland, 13.9 per cent of all claims in 1972, and I can only talk about 1972 because those are the figures I am aware of, and I was there—I do not talk for 1973; 1972 is supposed to have been the year of poor administration, so if anything the figures are worse—came from people with 11 weeks work or less; 14 per cent for Prince Edward Island; 12 per cent for Nova Scotia; 13.8 per cent for New Brunswick; 10.6 per cent for Quebec, and all the other provinces considerably lower. If you want to go to 12 weeks, those are the people you will affect, the people who can least afford it—once again, people in areas of regional disparity. I just heard the Minister of Regional Economic Expansion (Mr. Jamieson) speak about how we are going to eliminate regional disparities. In the meantime, why should we select these people—

Mr. Speaker: Order, please. I have to interrupt the hon. member as his time has expired. He may continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. McKinley: Mr. Speaker, we would agree that the hon. member continue so long as he brings his remarks to a close in reasonable time.

Mr. Mackasey: Thank you very much, Mr. Speaker, and hon. members. I can understand people believing that the plan is abused, and I select no one opposite as a redneck or a reactionary. There are reactionaries in every party, but what comes out of a party is a consensus. The people who went on unemployment insurance in 1972 with eight weeks work represented 2.5 of all claims in Canada. That is what all the excitement is about—2.5 per cent, 11 weeks or less, 35,000 people. There were 1,800,000 who drew unemployment insurance benefits at one time or another in 1972, and 35,189 had 11 or less weeks of work. Incidentally, they stay on benefits for a shorter period of time than the person with 20 or more weeks. They simply want a chance; they want a job. They are marginal workers who come out of school with substandard education and want nothing more than to work. They work as long as there is a job available for them, provided the money is sufficient to live on. That is the plain fact of life.

The person in Toronto who complains about his inability to obtain workers is usually an employer who wants it both ways—to be in the centre of the most prosperous city in the country, to have minimal transportation problems, because chances are he has no railway costs, and at the same time he wants the same type of labour at the same wages as if he were located thousands of miles from Toronto. He has all kinds of spokesmen in the House of Commons, but not too many people stand up for the poor because it is not politically advantageous.

● (1720)

Let me give one example out of many. I will not refer to those referred to in the Montreal *Star* since I do not know where those examples came from or how valid they are. I remember that in October, just prior to the election, the *Financial Times* carried great headlines stating that a lumber company had laid off 187 workers, and eight weeks later when they recalled the workers, none showed up. According to the article, the workers were on unemployment insurance. The company could have kept the workers for those eight weeks if it had realized that they would be needed for the production of lumber eventually. But when the company wanted its 187 workers back, they were not available.

One of the directors of the company, a learned senator, came to me—after all the publicity was over, of course—and we discussed the problems. I got him to give me the social insurance numbers of the 187 workers involved so that we could run them through the computer and find out who they were and if they were still on the unemployment insurance list. It turned out that 14 of the 187 were drawing unemployment insurance. The other 173 were working for competitors of the company which had originally hired them, or for companies in other industries. When confronted with these facts, the senator said he was sorry. There was no retraction in the newspaper, however.

Being short of workers, the company went to Manpower and Manpower officials went to the camp to find out what was the trouble. Well, there was not much trouble. You could earn $300 a week in lumber camps, according to Bob Neilsen of the Toronto *Star*. Your only problem was that the camp in question was 92 miles from the nearest town and how you got there was your own business. When you got there, you slept with 16 other people. If your chain-saw broke in the middle of winter, you repaired it outside. Oh, yes, you could make $300 a week if you were in the right strawberry patch; that is, if the lumber was of sufficient diameter. There was no guaranteed weekly wage, let alone monthly wage, since you were on piece-work, and somtimes you could not work when it snowed or rained. And this company complained because it could not get workers. I am not talking about a company in eastern Europe; I am talking about one in Canada.

In contrast, there are companies in British Columbia and in Ontario which build decent accommodations for their workers, which permit wives and children to come with the worker, which guarantee a weekly wage and provide transportation. There is a waiting list of people who want to work for these companies for the kind of wages they pay. Let those employers who are complaining about unemployment insurance and welfare programs as being for the benefit of lazy Canadians look in the mirror and see their own faults. They are prepared to overlook their own faults very conveniently and to condemn those who speak on behalf of people who normally have nobody to speak on their behalf.

Mr. Speaker: I see that the hon. member for Wellington (Mr. Hales) has risen to ask a question. I would remind the House that the time of the hon. member for Verdun (Mr. Mackasey) has expired and unanimous consent is required if he is to answer the hon. member's question.

Some hon. Members: Agreed.

Mr. Hales: Mr. Speaker, I always appreciate hearing the former minister speak on this important subject. I should like to ask the minister how he would handle the case which I am about to raise, and what changes he would make to the act to meet this kind of situation. I am speaking of a man who is offered a job paying $3.23 per hour, and after working only one day he discovers that by working he will be only $7 better off than if he stayed on $100 a week unemployment insurance. How would the former minister propose to get a man like that back to work?

Mr. Mackasey: Mr. Speaker, if he is getting $100 a week in unemployment insurance, he was earning $150 a week and not slightly over $3 per hour. If he was earning $150 a week before collecting insurance, he should normally be able to return to a job paying $150.

Mr. Hales: But what if he cannot?

Mr. Mackasey: After one month on unemployment insurance, under the formula of the commission benefits drop from $150 to $140. After 60 more days, if he is irresponsible or too restrictive in his demands, he can be disentitled.

May I ask the indulgence of the House and speak for two more minutes so that I can rectify something which I believe the hon. member for Hastings (Mr. Ellis) said. The hon. member suggested, I think, that 250,000 Canadians had been disqualified. I do not want that inaccuracy to be left in *Hansard*. I suggest the minister may have said that 250,000 people were disqualified or disentitled. There is a big difference, Mr. Speaker. You can be disentitled for as little as 25 minutes and then be reinstated. You could be disentitled for a variety of reasons. As I said, you can be disentitled for as little as 25 minutes.

Our system allows us to pour out millions of statistics. If you want figures showing, say, one million disentitlements by June of any year, you will not have any problem getting them. An officer may say to you that in the circumstances you are disentitled, that you are no longer eligible, and so on. In the meantime, your circumstances may change and in half an hour you could be reinstated. Nevertheless, you are a statistic; you are shown as having been disentitled. That is why I am suspicious of statistics.

The only statistic I believe in is this: in December, 1973, 6 per cent of the people paying unemployment insurance were drawing benefits; in 1972, 7.4 were drawing benefits; and in 1970, 10.6 of the so-called lazy bums of the Canadian work force were drawing benefits. Since we have gone from 10 per cent to 6 per cent, I suggest that some of our economists themselves should be on the unemployment insurance rolls.

● (1730)

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I will say from the outset that it is with pleasure that I stand quite officially on one side of this House that I have known quite well. First of all, Mr. Speaker, I want to congratulate the mover and seconder of the Address in reply to the Speech from the Throne, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier), not so much to congratulate them for the contents of the Speech from the Throne but for the courage or the guts they had to support such a speech which I feel contains the very same wishes or good intentions we know or I heard for the last six years.

I would like to deal immediately and quickly with the last few years that led to this Speech from the Throne. I was during three years one of those who showed tolerance and patience for the measures introduced by this government. On many of them I was very generous I think in supporting this government on several occasions, believing as thousands of Canadians that satisfactory results could take place. We realized in the last six years that the "just society" which was the goal that we no longer hear about now is far from being achieved and I think that thousands of Canadians admit that the results are pitiful.

I must say, Mr. Speaker, that it is not because this government did not make an effort. I think it did. It is not because it refused to introduce changes because it did bring in certain changes and proposals. However, we ended up with an inflation that is no less serious than before, an unemployment rate that is both steady and unacceptable, and the increase in the cost of living. We know how housewives are concerned, and rightly so. We also have the so-called oil crisis which made us go through difficult days.

When one assesses the last six years, in spite once again of the proposals that were made it is difficult, and it was difficult for me, to continue to support a government which does nothing to meet our aspirations and the results of which are totally unsatisfactory to the majority of Canadians. Of course, I tried during three years on behalf of my constituents to do the best possible job. For that matter, having worked as well as I could for the past six years and realizing that the government has chosen to disregard a number of suggestions —the government is not the only one making them—I have felt necessary, because I was not listened to attentively, to reconsider my position with a team acting as a unit and to give Canadians the opportunity not necessarily to destitute the party in power, but to put an administration a lot more efficient and productive in its place. Indeed, hon. members opposite will refuse to believe that there could be on this side hon. members as competent as they are. I think, in the light of our accomplishments since the 1972 elections, that there are many Progressive Conservative members who could come up with initiatives comparable to those put forward over the past six years. For that reason then I thought it fair to answer the call of the Leader of the Official Opposition (Mr. Stanfield) in order to represent the province of Quebec within this party as this is necessary and pressing because even if 50 per cent of the government members are from Quebec, we can see that the province is poorly

represented on some occasions and even not represented at all on some others. I could enumerate all the pieces of legislation about oil that we have discussed here. During two months, while the official opposition was fighting a serious battle about the importance of a single price, we have not heard, except on rare occasions, members from Quebec answer the accusations of the opposition leader which were perfectly justified when he said that Quebecers were betraying their own province on the energy matter. And we know it very well.

Furthermore, this government is going to create soon a national energy corporation and we don't know what will be the powers of that corporation and I am aware that Quebecers are very anxious to know if the government is not securing powers in the hydro-electric energy field. We do know that Quebecers are now worried about this matter. But Quebecers in power are not speaking about it and do not want to say anything on the subject and we are waiting for the opportunity to take required position on this matter. I should like—

An hon. Member: You don't know what is happening.

Mr. La Salle: Yes I know it very well. Yesterday, a question was raised about my return within the Progressive Conservative party. The hon. member for Lévis (Mr. Guay) was asking if I would still be a member of this party at the next elections. I should like to tell him, Mr. Speaker, that I had the guts to make some decisions and take some positions. I think I had to do it. I had to consider the work made in the last 15 months by the opposition and I have understood that it reflected perfectly well the worries of Canadians.

The right hon. Prime Minister (Mr. Trudeau) said in his speech that the Leader of the Official Opposition was repeating the same complaints. I think that he omitted to say that the complaints of the opposition leader are also those of most Canadians on major problems. But in the Speech from the Throne, the government was careful not to specify. We ask once again for a vote of confidence from the Canadian population, without wanting to assess the miserable results of which we are all aware. And these are precisely the points that the opposition leader mentioned in his arguments and those that concern most Canadians. The members on the other side are well aware of this. Therefore, I should like to tell the hon. member for Lévis that if there is any worry about whether or not the Progressive Conservative Party can win part of Quebec, the members opposite can rest easy because the Progressive Conservative Party will get a sufficient number of candidates elected to represent fairly and equitably the province of Quebec. Everything is fine! Our objective is not to elect 56 members, of which 50 rarely open their mouth. Our objective is to obtain the election of about ten good members who can do what they are supposed to do in this House and represent the aspirations of Quebec, just like we recognize that the first duty of Albertans and Manitobans is to tell of the aspirations of people in their province.

It is said that we need a strong government. I was listening to the Minister of Regional Economic Expansion (Mr. Jamieson) who spoke of decentralizing his department. Mr. Speaker, these are things I like to hear: decentralization of powers, respect for provinces and provincial jurisdictions. No one can accuse the opposition leader of not having this respect. The same thing could not be said about the present leader of the government however. My Quebec colleagues know it very well. Because opposition members are talking about inflation, unemployment, the high cost of living and the oil crisis, they are being laughed at. There will be an attempt, of course, and it has been mentionned, to create a national energy corporation whose powers are not very well known yet. If this proposal is not first discussed with the provinces, it may raise great problems.

● (1740)

Federalism may hope to survive only to the extent that the provinces will be happy to stay within Confederation. And the government's attitude, this centralizing attitude cannot last whether Quebec or any other province is involved. I am happy to have found out recently that Quebec was not the only province that has problems when it comes to the respect that each province is expecting from the federal government. Therefore it is false to say that a strong federal government is needed. But if we so work as to respect provincial jurisdictions and make provinces sufficiently happy within Confederation, it is possible to talk of a viable federalism.

Of course the national energy Corporation as envisaged by the government was born from sheer necessity since it meets a suggestion made by the New Democratic Party. There is no doubt about it.

But instead of being tempted to nationalize, why does the government not introduce encouraging measures for the Canadian investor so that the people will consider investing in Canadian companies? Tax incentives could be given too.

These would be measures which would enable Canadians to save and invest in Canadian industries and which would also enable our firms and Canadians to gain control over our industry as a whole, perhaps not fully but at least to a much greater extent than we do now. It is a matter of regaining our economy and rather than attempting to nationalize this or that it would be very important and much more beneficial to let Canada really in the hands of Canadians, to introduce encouraging measures and advantages for Canadians who invest in our industry. This could indeed prevent us from having to advocate the establishment of a national energy corporation.

I would like to say that in these last six years I spent in Parliament, I have always endeavoured to meet the aspirations of my province. Once again, it is the duty of all hon. members to meet, as much as possible, the needs of their provinces.

I blame members from Quebec for having been too silent on several problems and I am particularly shocked to notice that today still the Quebec Minister of Communications must wage a pitched battle against his Ottawa counterpart (Mr. Pelletier).

With a Quebec representation of 50 per cent or more within the government, the Quebec people expect practical and positive results. When there are problems between Ottawa and Quebec, we always find out, to our disappointment, that it is our Quebec ministers who ridicule the

Quebec government. Even recently we saw how long it took the Minister of National Health and Welfare (Mr. Lalonde) to understand the Quebec position on family allowances. Have any changes been made to the Constitution since the present government came to power? No, Mr. Speaker, we are no further ahead. I say these things because I choose to repeat them at every possible opportunity.

I want to prove to the Quebecers that a Liberal government will not necessarily favour them or improve anything. When one studies the major problems, one realizes again that the government has a long way to go before finding all the solutions. Of course, I will be asked this question. As a matter of fact it has already been put to me, as well as to others: Does the Progressive Conservative party have solutions to all current problems?

Mr. Speaker, I could not give any guarantee that my party has all the solutions, but we know for a fact, and the people of Canada know it very well, that the present government does not have them.

Therefore, is it possible to do any worse? I do not think so. The integrity and the honesty demonstrated by the leader of the opposition will be ample evidence to Canadians that it is possible to have a government that could do much better. We are not asking too much of Canadians when we are asking them to give another political party the chance of finding solutions since this government did not come up with them.

Mr. Speaker, to substantiate my statements about the Quebec representation in Parliament not being sufficient or adequate, earlier I mentioned the constitutional problems and the too few or inexistent improvements. I would also like to bring to the attention of the House the glaring injustice being committed against expropriated people in Sainte-Scholastique.

Obviously my colleagues on the other side do not want to hear about it, but we know very well that just yesterday there was a meeting of 2,000 persons who feel, justifiably so, that they have been discriminated against. When one considers the differences of $200 to $2,000 an acre in the evaluations paid at Pickering, I believe that no member from Quebec, who has a little guts, cannot but be revolted.

It can be said that there are such and such reasons, but there is nevertheless the fact that the government had to go back to Sainte-Scholastique and try to patch things up, with no success. We realize that the minister of Transport (Mr. Marchand) is not responsible for the evaluations made. On the other hand, the Minister of Transport has the responsibility of condemning the basically wrong evaluations, but nothing has been done as yet. It seems that this flagrant injustice of the expropriated people of Sainte-Scholastique will be tolerated.

Therefore, I ask the members from Quebec to stand up so that the wrongs made by the evaluators be corrected. I do not accuse hon. members of committing this mistake. What is unfair is to keep quiet as you have been doing for a long time on this matter.

Mr. Speaker, I would like as well to emphasize how important it is for my region not to be able to get a grant for a designated area, which my region was until June of last year. I would like of course to ask something to the minister in view of his earlier statements. It seems necessary of bring a few changes in the assessment of possible grants to be paid to certain industries or regions. These changes are already applied in a few provinces. After waiting for six months, I am justified to insist that the Minister of Regional Economic Expansion answer my riding as well as many others. The hon. member for Saint-Hyacinthe (Mr. Wagner) rightly referred to it yesterday. He must answer the province of Quebec so that a new agreement be reached as soon as possible. The file has been submitted long ago so I do not know why the government has not answered yet, has not signed this agreement, but I hope that it will be signed as soon as possible because I think that my constituents, like all the people from Quebec who have been deprived of this agreement, are entltled like those of any other region of Canada to be able to get a grant which is necessary, and in my region it is imperative that we benefit—

Mr. Trudel: You have a glib tongue!

Mr. La Salle: —while the hon. member for Montreal-Bourassa (Mr. Trudel) is asking me a few questions, I ask him to invite his Liberal government of the province of Quebec to be understanding and above all I ask him to see that this agreement is signed for the benefit of Quebecers. This is another delay and another injustice on the part of a government composed of 50 per cent of Quebec members, and which brags about dutifully serving the province of Quebec.

Mr. Béchard: You are talking through your hat.

Mr. Wagner: That doesn't mean anything, 50!

Mr. La Salle: I know it doesn't mean anything.

Mr. Trudel: Fifty is 25 times 2.

Mr. La Salle: I would also like to ask important supplementary credits to the minister responsible for amateur sports in order to answer a need or a motivation of the youth for physical conditioning which interests people of all ages. Thanks to the forthcoming Olympic Games in 1976, they have received supplementary credits. That is not enough, Mr. Speaker. If it is necessary to have good physical conditioning, I think the time has come to transfer to another department than the Department of National Health and Social Welfare the agency responsible for amateur sports, which are completely sunk in the estimates of that department. I would suggest the establishment of a department in charge of amateur sports, physical conditioning, sports and leisure in Canada. In my opinion, if an in-depth study were made in this regard, one would realize that it is urgent to grant sufficient credits to give all young people an equal opportunity to enjoy a better physical training program than the one now existing.

● (1750)

Mr. Speaker, I would like particularly to point out to the Postmaster General (Mr. Ouellet) certain parishes of my constituency which have made suggestions because they urgently need more functional post offices. The city of

Joliette as well as the municipalities of Saint-Jacques, Saint-Thomas and l'Épiphanie have made instances in my constituency and I must on their behalf draw the attention of the Postmaster General so that they may obtain adequate services.

Mr. Speaker, in the Speech from the Throne, reference has been made to the improvement of the social climate, but nothing has been said of the possibility of granting the old age security pension at 60 years of age. In my opinion, several of my colleagues would be as a rule in favour of such a measure. It would perhaps only be necessary to introduce legislation for a 5-year period—whether it is voluntary at first, it does not matter—recognizing the provision of an old age security pension at 60. The reduction on the labour market of the number of 60-year-olds would then create more vacant jobs for our young people who are unemployed.

Mr. Béchard: You are complaining because we are spending too much—

Mr. La Salle: Surely the hon. member for Bonaventure-Îles de la Madeleine knows that such legislation could be helpful to him. There is no problem.

In my opinion, the cost of such legislation could be estimated and since we could provide work for the unemployed we could determine the saving realized by giving holidays to those who deserve them and work to those who are at an age to work. If we want to improve the social climate, the passage of such an emergency measure should be seriously considered. I will continue to believe that such legislation could solve the serious unemployment problem which we are now experiencing.

Before ending my remarks, Mr. Speaker, I would like to say a few words about farming since it is a most important factor in my riding. I realize also that agriculture is not in top shape throughout Canada and several members have said so.

When we see that in 1973 Canada has imported 50 million pounds of butter, I think we are right in being concerned.

A decrease of 8 per cent in dairy production was recorded in Canada last year, which has meant importing butter and at the present rate, unless the government takes drastic steps, we expect the import of 100 million pounds of butter next year.

The Canadian Federation of Milk Producers has submitted a brief asking for an increase of $2 per 100 pounds of milk. Again the government will probably hesitate to meet these requirements since it has no policy governing production costs. We realize that production cost have soared and I have here a brief submitted recently by the APU and the Canadian Federation of Milk Producers which shows that the cost of milk production has increased to $10 per hundred pounds, while these same producers are receiving only $7 per hundred pounds. They are therefore asking for a $2 increase in the hope that production costs could stabilize again in 1974 and finally they are anticipating some profits. I think that the Canadian Federation of Milk Producers is perfectly right in asking for such an increase and we wonder to what extent the government will comply quickly with these representations. I am talking about stabilization. We will never be able to ensure stabilization without providing short term grants if we really want to save farmers.

More dairy farms will go out of business next spring. Although some people maintain that this has to do with the age of the milk producers, it is not true, Mr. Speaker. The first reason is that the dairy producer does not make enough money to keep a long-term operation. Milk producers, with an average age of 40, are not ready to get their old age security pension. On the contrary, they are good at figures and they are not going to give up their dairy business because they do not make any profit.

I think the government should give special consideration to this problem and bring forward positive measures to deal with it, while ensuring that the consumer will not be saddled with all those responsibilities.

Mr. Speaker, I would have much more to say, but my time is up, and I want to say again that I will do my utmost to bring up those questions regularly in the House in order to meet the wishes and settle the problems of most Canadian citizens. I will fight with all my might a government that has failed to include in the Speech from the Throne positive measures to improve the lot of the people, a government that even dares to ask for a confidence vote from the people.

Mr. Speaker, it is high time we tried a new administration that has been preparing itself very well in the last few years.

Mr. Béchard: Mr. Speaker, since it is nearly six o'clock and I would not like to be cut short at six o'clock, may I—

Mr. Wagner: You can always start now.

Mr. Béchard: May I call it six o'clock, with the consent of the hon. member for Saint-Hyacinthe (Mr. Wagner)?

Some hon. Members: Agreed.

Mr. Speaker: Since it is about six o'clock, I leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

The Acting Speaker (Mr. Laniel): I recognize the hon. member for Îles de la Madeleine (Mr. Béchard).

Mr. Albert Béchard (Bonaventure-Îles de la Madeleine): Mr. Speaker, I want to bring to your attention that the name of my riding is Bonaventure-Îles de la Madeleine.

Mr. Speaker, as did those who spoke before me I want to extend my respectful compliments and congratulations to His Excellency Governor General Jules Léger and his lady, and wish them years of happiness and joy in their mandate. The years of experience acquired by Mr. Léger in his many functions both in Canada and abroad where

he carried out his responsibilities with competence, tact and dignity prepared him very will for the high office recently entrusted to him.

One cannot omit to point out the quality of the most eloquent speeches delivered by the mover and the seconder of the Address in reply to the Speech from the Throne, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier). Their words actually moved the Liberal fibers of any Liberal worthy of that name. This refreshing bath, Mr. Speaker, even moved the fibers—formally Liberal fibers—of the hon. member for Saint-Hyacinthe (Mr. Wagner). This refreshing bath in which our distinguished colleagues immersed us can only be enlivening for one who, politically committed during all his life, stood up with vigour and no less pride for the great principles of liberalism.

With respect to those principles, it is no coincidence to find in the Speech from the Throne so kindly delivered by His Excellency the great Liberal philosophy passed on to us by Laurier, King, St. Laurent, Pearson and so admirably and efficiently continued and adapted to the needs and evolution of our modern society by that man whom history will undoubtedly indentify as the greatest Prime Minister Canada ever had, the right hon. Prime Minister (Mr. Trudeau). No, Mr. Speaker, it is not a coincidence. The very essence of liberalism we all are imbued with has always governed the action of all Liberal governments, and of this one in particular. One only has to review all the acts adopted by successive Liberal administrations, especially those passed under the administration of our two last leaders to realize how much the Liberal party has always been concerned with the well-being of the individual in every class of society.

● (2010)

It has now become a cliché, Mr. Speaker, to identify the Liberal party with social reform in Canada.

Legislative measures aimed at giving the individual, the citizens, more security, more importance, more freedom, in the true sense of the word, and more dignity, more than any government had ever dared, especially Progressive Conservative governments—

Mr. Grafftey: More unemployment, more inflation!

Mr. Béchard: Let us talk about unemployment. I shall come back to that later.

Those measures were passed by Liberal administrations, and particularly by the government of the right hon. Prime Minister (Mr. Trudeau). They covered every field and the list is too long and the time at my disposal too short to name them all, but after such achievements, and I can mention a few that were unthinkable, as I said, a decade ago, the opposition and particularly its leader (Mr. Stanfield), its deputy leader for Quebec the hon. member for Saint-Hyacinthe (Mr. Wagner), who is here tonight, and only two nights ago, the hon. member for Kingston and the Islands (Miss MacDonald), dare accuse the Liberal party and the right hon. Prime Minister of lacking imagination and determination. These false healers of all ills—I should rather say these false controllers, as they are fond of controls—in the one important field of social security which is designed to relieve the distress and the problems of older people, of the underprivileged, those false controllers or false healers of all ills, have only succeeded, Mr. Speaker, since Confederation, since 1867, to give to our older people the small amount of $16 on a total now reaching $188 a month. It takes plenty of nerve to dare speak about a lack of imagination and determination.

This is the record of the previous government of the hon. member for Brome-Missisquoi (Mr. Grafftey) and now of the hon. member for Saint-Hyacinthe: $16 in a lifetime, since Confederation. Those who are so concerned with welfare, are complaining today about inflation.

Mr. Trudel: The hon. member for Saint-Hyacinthe is blushing!

Mr. Béchard: Mr. Speaker, am I ever sorry for the hon. member for Joliette (Mr. La Salle). He became suddenly mute until this afternoon but he is riding again the horse he had so wisely and rightly discarded in 1971, after swearing publicly on television and radio and before a committee of the House never to ride it again because of the shabby position taken by the Progressive Conservatives on the Official Languages Act. He had done the same thing during the debate on the 1976 Olympic Games.

Mr. Speaker, I am also sorry—

Mr. Grafftey: Be serious, this is petty politics!

Mr. Béchard: What is it? You could not possibly have listened to your colleagues' speech, the hon. member for Saint-Hyacinthe and the hon. member for Joliette.

How I sympathize also, Mr. Speaker, with the so-called Quebec lieutenant of the Progressive Conservative party, my colleague for Saint-Hyacinthe—

An hon. Member: Not Marcel Masse!

Mr. Béchard: —because since he has been sitting on the Progressive Conservative side, we can readily appreciate the delicate position in which he finds himself. Sometimes we can see he is on the verge of shouting: What in heavens' name am I doing here?

Mr. Speaker, the "reconquest" about which the national leader of the Progressive Conservatives spoke so highly on the occasion of a fund raising cocktail at the Quebec City Château Frontenac where, by inadvertance or by pure coincidence, the only two elected PC members in Quebec were conspicuous by their absence, this new conquest, Mr. Speaker, is not for tomorrow. The absence of these members was well caricatured in *Le Soleil* of March 5, 1974. The Leader of the Official Opposition is shown climbing the Cap Diamant on his way to the Plains of Abraham, followed by someone who is deemed to be a leader and the new PC member, to speak in the language of the inhabitants who are there in a ship on the St. Lawrence. The leader is supposed to be the province of Quebec lieutenant. The caption says: "Eh you, there, if we have any trouble we will go and fetch you." So the "reconquest", as I said, is not going to take place tomorrow.

I was referring a moment ago to the social dedication which the Liberal party has always indulged in. However, Mr. Speaker, in our party as in all other parties which are concerned mainly with the individual's well-being and

betterment and not only to the well-being of those who are better off and those who were able to contribute more generously to electoral funds and therefore ensure more security, we did get from time to time people whose views were a little too conservative, who were attracted by the Liberal party or willing to join it for the determined purpose of slowing down the Liberal political action which they considered as being too avant-garde.

This was a real misfortune and disaster for our country and the Canadian society which could have benefited earlier, and in a more equitable way, from changes that were made necessary by the unavoidably changing world and that the Liberal party has always advocated.

In our so-called democratic western societies, too often in the past have we toadied to high finance. In doing so, we consciously or unconsciously deprived citizens of a standard of living to which they were entitled as human beings. Unfortunately we realized too late that we could not neglect workmen, farmers, fishermen, older citizens, the poor, the sick, children, women and underprivileged people of our society as management or the state saw fit.

The Liberal party, however, prompted by the very concept of its existence, raalized quicker than any other political party in Canada that our system was bad and that government responsibilities should be redirected toward individual well-being and respect for the human being. Consequently a wide range of social security measures and progressive legislation specifically aimed at individual security were passed in this country.

I am far from suggesting, Mr. Speaker, that everything is perfect in the best of worlds and that the Canadian citizen has no more problems. I am not afraid however, to assert that liberal policies, and the hon. member for Saint-Hyacinthe (Mr. Wagner) agrees with me that—

Mr. Wagner: Oh, no!

Mr. Béchard: —generally speaking, the Liberal policies developed when he had been a Liberal for several years reduced the involuntary injustice of former governments and that the Canadian citizen now lives more comfortably with less tension and more freedom. There will probably be some people in this House and elsewhere who will say after my next comments that I despise or ignore private enterprise.

● (2020)

On the contrary, I salute all the Canadians from coast to coast who have accomplished and are still accomplishing great things to develop the various industries that have contributed to building our country by providing the Canadian population with its daily bread while developing our natural resources and that have placed Canada in the enviable position it now enjoys.

What I cannot accept, however, Mr. Speaker, is the scandalous sweating of the worker who is the main contributor to the development of this country and who provides the necessary profits for his employer so that the industry may continue to give work to Canadians and progress in order to continue developing our resources for the good of all Canadians.

[Mr. Béchard.]

Mr. Speaker, no intelligent Canadian citizen can pretend, at least I hope not, that an industry, a business or a company does not have the right to make profits.

Such an attitude would be bordering on insanity. However I cannot honestly believe that these same industrial and commercial firms are eager to make excessive profits at the expense of Canadian consumers.

Such excessive attitude—it has long been and still is recognized—is conducive to a situation like the one which prevails now in all countries of the world, including Canada. Our industrialists and businessmen have come to realize this, as evidenced by the improvements they have made to their respective business and the lot of their employees.

All countries of the world are faced with inflation, a problem which occurs at various stages in their development, a disease the root of which is not always found in their own country but elsewhere in the world. The escalation of prices is particularly acute in the area of food products, an area which hurts each and every Canadian.

Because Canada must rely enormously on trade with the outside world to sell its products and acquire the goods which it does not produce at all or in large enough quantities, it is not immune to the fluctuating whims of international prices.

Mr. Speaker, this morning the former leader of the Progressive Conservative Party, the right hon. member for Prince Albert (Mr. Diefenbaker) spent half an hour blaming the government for its spending. The Leader of the Official Opposition (Mr. Stanfield) brought up the same question recently when the main estimates were tabled.

The former prime minister said that the rate of inflation was 1.9 per cent under his administration. But, Mr. Speaker, he should be the last person to remind the Canadian people and Parliament of his administration from 1958 to 1963.

The member for Brome-Missisquoi (Mr. Grafftey) referred to unemployment. At a time when the labour force was much smaller, the number of jobless almost reached one million in 1963, when we returned to power. Throughout Canada, restrictions were announced on radio and on television rather than in Parliament, after the 1962 election. That is respect for Parliament! The hon. member for Saint-Hyacinthe (Mr. Wagner) referred to regional development this afternoon and yesterday. The Conservative party allowed winter works in order to cut branches along the roads. That is the meaning of regional development for the Conservative party.

[*English*]

Mr. McKinley: On a point of order, Mr. Speaker, if there was unemployment in Canada in those years, it was brought about by the Liberal administration.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member knows that this is not a point of order.

[*Translation*]

Mr. Béchard: Mr. Speaker, it is easy to say that when one was not in the House and was not even thinking of going into politics in that riding.

The inflation rate was 1.9, but apart from unemployment, there was nothing, no industrial development, aus-

terity was everywhere. Austerity and restrictions were announced on television, mind you, if you remember, just after the 1962 election.

Mr. Speaker, while this government has been making every effort during the past years to fight this plague, the energy crisis arose last fall, and one must realistically admit that it had something to do with the actual rise in the cost of living.

● (2030)

Considering such difficult times, one can now say, although the problem is not yet entirely solved, that Canada showed maturity. The position it took to protect our energy resources as well as the consumer against an unacceptable increase in the price of a product so vital to our economy, was the best one.

Thanks to those measures, Canadians were able to keep warm this winter even if it cost them a little more. We were privileged, Mr. Speaker, to have as leaders of the country men as determined and energetic as the right hon. Prime Minister and the Minister of Energy, Mines and Resources (Mr. Macdonald). We owe to this team to have avoided what could have been disastrous for the Canadian people, as in so many countries, and for the Canadian economy in general. The new energy policy announced in December by the right hon. Prime Minister, and all the effective steps taken by the government will guarantee Canada, from coast to coast, sufficient oil supplies at one price only, in view of the huge oil potential of our country. In addition, that policy was not designed to take away anything from those areas of the country richest in oil; on the contrary, it will guarantee them tremendous developments even while they share their natural resources with their fellow citizens who are less fortunate in that specific field. Canada has developed and has become what it is today, Mr. Speaker, through the co-operation of all its provinces, an element that is essential to our unity, and I would even add, our survival as a respected nation. If Canada wants to continue to grow and ensure future generations a decent standard of living, that co-operation and sharing must be maintained and grow stronger. Our country, in the field of oil potential alone, can not only be self-sufficient but even surpass in importance the countries of the Middle East whose reserves are far more limited than our own, and achieve a standing that will be respected throughout the world.

Here, Mr. Speaker, I should like to echo the remarks of the Minister of Supplies and Services (Mr. Goyer) on the project he conceived to ensure our country that success in the future through the maximum development of the Athabasca tar sands. Our country has the opportunity of making giant strides in that field and, in so doing, of ensuring its security and independence in the case of an energy crisis in the future, not to mention the tremendous contribution it would make to our economy. The outlay will be fantastic; I will be told, and our economy cannot afford such an expenditure. The minister has explained the funding of this project and I will not take the time to repeat it at this time. Furthermore, Mr. Speaker, it will not be an expenditure, but rather an investment which is bound to make Canada grow to such an extent as to put to shame those who dismissed our country as "a few acres of snow". I commend the minister and I hope that his initiative will meet with general approval for it is not one that can be brushed aside with a sweep of the hand.

Previous speakers have mentioned the measures adopted by the government to offset the ill effects from inflation, so I will not repeat them. Besides, the time allotted to me is running short. I will bring up the subject again on another occasion.

Before concluding my remarks with considerations peculiar to my riding and area, I would like to greet with satisfaction the measures announced in the Speech from the Throne to improve the lot of Canadian farmers and fishermen so that they may be able to increase productivity and the quality of their products and pave the way for younger people anxious to go into farming if we want to ensure a sufficient quantity of food to the people and, if need be, facilitate the export of our surplus at better prices.

For several years a serious problem has been facing farmers and agricultural producers of eastern Canada and Quebec especially, that is supplying feed grains in sufficient quantity and at a price comparable to that of western producers. No resentment has ever been shown by eastern farmers regarding what their fellow citizens of the west could benefit from. Never. However they did want to get the required feed grains and meals at a price enabling them to compete on the market. Steps have been taken to solve that serious problem, but these have been far from satisfactory. We must at any cost, and that is pressing, find quickly a solution.

To fishermen the Gaspé Peninsula and the Magdalen Islands in particular, where fishing is of great importance in the economy, it is urgent that harbour facilities brought up in the Canada-Quebec agreement be set up and this without delay. In this connection, I am pleased to see in the House tonight that the Minister of the Environment is listening to me.

While in my constituency the main harbours have already been built or are under construction and while for the Millerand harbour over $1 million is provided in the estimates for 1974-75, I cannot remain indifferent, Mr. Speaker, to the problems raised by lack of sufficient funds for the fishing centres of Grande-Rivière and Les Méchins for instance. I want, in full support for my Gaspé and Matane colleagues (Messrs. Cyr and De Bané), as well as for the fishermen of that region, to urge the Minister of the Environment and Minister of Fisheries as well as the government to provide additional supplies to these fishing centres. The agreement for the Lower St. Lawrence area, the Gaspé Peninsula and the Magdalen Islands will expire in 1976.

We must not forget the coastal fishermen because they cannot all seek shelter in those harbours and they earn most of their living through fishing, especially in the Bonaventure constituency. They are greatly to be pitied since centralization has monopolized these last years the department's total budget. Some may say that I am doting, Mr. Speaker. For some, perhaps. But if nobody pays attention to me, I certainly intend to keep on doting and to persist in the same vein until some action is taken to comply with my legitimate requests.

The now famous seal hunt, that most compassionate and soft-hearted people, more soft-hearted as to the disappearance of those small animals than as to that of human beings, for instance, an unborn child, succeeded in having prohibited almost gradually, that seal hunt Mr. Speaker should be restored.

I do not deny the fact that the species should be protected and that some control would be necessary. The conscientious fisherman, the fisherman from the islands, who devotes himself to seal hunting, is aware of that problem and also aware of the need for controls, but that source of income for our fishermen should be preserved at all costs at such a difficult time of the year. If need be, seal hunting should be developed so as to be more beneficial for the islands' residents through the establishment of a plant or by encouraging the establishment of a seal skin processing plant in the islands.

Apart form providing a substantial income for the fishermen, seal hunting contributes to the preservation of our fish reserves, since an incalculable amount of fish are eaten up by those seals. Officers from the Department of the Environment should never forget that important factor of decrease in the fish species which are the fishermen's main source of income.

Therefore, I wish to associate myself fully with the conclusions of a group of fishermen from the islands who met recently in La Vernière to discuss that important subject which was dealt with in a CBC broadcast this week.

I would have many other specific subjects to deal with in the interest of my constituency, Mr. Speaker, but I will have to do so some other day for lack of time.

The Speech from the Throne gives us plenty of work to do. This legislative program aimed at improving the lot of the Canadian people will hopefully commend itself to all hon. members, including those for Saint-Hyacinthe and Joliette (Messrs. Wagner and La Salle) who, to the best of their knowledge and belief, will want to pass it quickly, I am sure, in the best interests of the Canadian people.

Mr. Wagner: Mr. Speaker, would the hon. member permit a question?

Mr. Béchard: Yes, Mr. Speaker.

Mr. Wagner: Mr. Speaker, could the hon. member tell the House whether he endorses the recent statements made by the hon. member for Matane (M. De Bané) and the hon. member Gaspé (Mr. Cyr) to the effect that the fishermen in the Gaspé peninsula are mistreated by the present government?

Mr. Béchard: Mr. Speaker, firstly the hon. members for Matane and Gaspé did not say such things but they pointed out that the loans granted to the Gaspé peninsula according to the agreement ending in 1976, were not sufficient for the building of all centralized fishing harbours to be finished in time. I do not hesitate—for I just mentioned it in my speech—to say it is not sufficient and that we will demand more. But the Progressive Conservative party suggests that we spend too much money. The hon. member for Joliette wanted in one hand the old age security pension be given today to all persons of 60 and on the other hand, we are blamed for spending too much.

[*English*]

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, let me begin by adding my voice to the tributes which have been paid to His Excellency the Governor General. I am certain that all Canadians join in wishing him every success and fulfillment during his tenure.

I think this was an interesting day of debate on the Speech from the Throne. I listened to the previous speaker with a certain amount of amazement. The basic principle behind his speech seems to be that flattery will get you anywhere. He would like to move a couple of seats to the right, I expect. Trying to compare the Prime Minister (Mr. Trudeau) to the disadvantage of Sir Wilfrid Laurier is gilding the lily somewhat.

I enjoyed the speech of the hon. member for Joliette (Mr. La Salle). He appears to be the happiest man in the House these days. He has joined a winner. He knows where he is, and he will be here long after some of the flowers opposite have wilted. I listened to the hon. member for Verdun (Mr. Mackasey) trying to rationalize and defend the Unemployment Insurance Act. I suggest to him that he should get a little support from his ex-cabinet colleagues if he feels like coming here and being punished frequently by the party which turfed him out of cabinet, I suggest it indicates a streak of masochism. However, that is his problem and not ours.

I was much impressed today with the very eloquent address of the Minister of Transport (Mr. Marchand). I wish I could speak as well in my first language as he does in his second. I would not agree, however, with the content of his speech. It would seem to indicate that his department is out of control. He appears to think it is an unmanageable department. I suggest that is too facile an excuse. No department is unmanageable; what it needs is a good manager.

● (2040)

The debate on the Speech from the Throne is different from most other debates undertaken by the members of this House in that it offers an opportunity to reflect upon the general direction of governance in Canada. Rather than discussing the minutia or motives in a specific piece of legislation, we can reflect on matters and trends which are of general concern to the country and to its future.

As the member from Don Valley (Mr. Gillies) noted when examining the economic aspects of the debate, "the question of whether or not one is prepared to support the Speech from the Throne really depends upon whether or not one can decide from what is said that this government has the vision and imagination to solve the economic problems that are facing Canada . . . " This is indeed our function in this debate, to consider the past achievements and failings of the Liberal-NPD coalition and then to study carefully the merits of the government's plans, extracting what policy there is from the rhetoric.

In addition, and probably of greater importance, we must consider the aspirations and anxieties of the Canadian people. We must consider the future and the problems it will bring in the widest terms, in economics, ecology,

sociology, demography, politics; indeed, every facet of man's social existence must be considered. For, Mr. Speaker, it is incumbent upon the members of this House to provide Canadians with the leadership they need for the coming decade and it is this debate which gives us the greatest opportunity to consider this, the task at the core of democratic rule.

How, then, are we to judge the fitness of this government to lead the country? It seems to me that we must do these things: first, we must examine the aspirations of the citizens of Canada and the problems which will face the country, considering especially the record of the government in understanding these hopes; second, we must examine the government's suggestions as given in the Speech from the Throne and evaluate them in terms of their ability to satisfy the nation's needs; third, we must judge the record of this government in terms of its ability to implement that which it has promised.

All three of these are necessary, and while the need for the first two steps in unquestioned, the third is just as vital. As the Leader of the Opposition (Mr. Stanfield) put it last session, "the question of trust and confidence is part and parcel of the question of credibility." All too frequently policies have been evaluated in an abstract political vacuum; too frequently we forget that it is a specific political party which has to translate broad objectives into specific legislation and which must supervise the executive implementation of that legislation. We must judge the government party, or should I say parties, in terms of its ability to do this.

Of this triad of necessary conditions for good government, empathy with the people, programs and ability to translate programs into well functioning government outputs, I should like to begin by considering briefly the last condition by examining the success the government had during the previous session of parliament in realizing the objectives which it set itself in that Speech from the Throne. In examining that document in light of the last 14 months of government action or, perhaps more properly, government inaction, we see that the editorial comment, "there is less to it than meets the eye," was indeed correct. Of the plethora of commitments undertaken then, some have been fulfilled; however, the resulting legislation has tended to lack any consistency or unity of design.

This is possibly best exemplified in economic affairs where the Liberal-NDP union has created as its illegitimate offspring an incoherent mass of band-aid bills, each doing something to alleviate the hardship of those caught up in the government's economic mismanagement yet none of them offering any consistent or broad attack on the causes of the country's economic ills. The laudable pledge in the throne speech that the government will "contain inflation" and "attain reasonable price stability," after inflation of 9.1 per cent in the last year sounds now like the bitterest irony.

Fourteen months ago the government had proud words on social security. There were as bases for action the "five principles which, taken together, comprise a statement of the government's commitment in respect of social security." What has been the reality of the legislation on social security? Nothing except incremental adjustments which have barely kept pace with soaring prices. Like the creature in "Through the Looking Glass" who said, "It takes all the running you can do to keep in the same place," I only wish that the Liberal-NDP coalition would not continue to ascribe such grand munificence to their enlightened social philosophy but would, instead, give the Minister of Finance (Mr. Turner) his due. It has been his mismanagement of the economy which has created the absolutely compelling need for increases to prevent those such as old age pensioners falling further behind in their race with the ravages of inflation. Is this the "compassionate and equitable guaranteed annual income" which the aged and disabled were promised 14 months ago?

As a light and humorous footnote, were it not so callous toward those caught on fixed incomes, we may listen to the blustering of the NDP. That marvelous group manages simultaneously to take credit for the raise in old age pensions and avoids responsibility for the niggardliness of the amount. Being able to ascribe all that is good in an action to oneself, and all that is bad to another, is an exalted exercise in either egotism or double-think.

It was a peculiar spectacle to watch the Prime Minister and the member for York South (Mr. Lewis) arguing last Thursday as to who could take credit for last session's band-aid legislation. Neither of them wished to take any responsibility for bringing the country to an economic condition where such band-aid legislation is necessary. Their differences, I suppose, come down to "Who runs Canada?" If the member for York South can dictate terms for his support, then he can equally be blamed for not insisting on sound economic policies. If the Prime Minister is correct and the NDP are merely seagulls following his ship, then he alone should assume responsibility for the inflationary mess we are in. These two party leaders squabbling over credit for the goodies, whilst blaming others for everything else, does little to enhance the image of parliament. It is a sorry sight. To attempt to take credit for high incomes, and blame others for high costs, is simply dishonest.

While not agreeing with Prime Minister Harold Wilson—and let me now congratulate him on his victory and wish him well in his extremely difficult task ahead—I admired his honesty and courage when he stated, "One man's pay raise is another man's cost rise." We could do with more of that kind of candour in this House. I am not saying that wage raises are the only factor; profits, world conditions and, not least, government extravagance all contribute to high prices.

In the 1973 Speech from the Throne the government also spoke at length on the subject of housing. Whether the legislation which resulted will have a significant effect or whether, as with pensions, it only represents running to remain in the same place we cannot yet tell. What is apparent is that the legislation did not tackle the root causes of high housing costs, costs which preclude far too many Canadians from becoming home owners. Will the government's meagre palliatives do anything about the phenomenal price of urban land, the greatly increased price of building materials or, above all, the usurious mortgage rates? No, not until a coherent, inclusive program is enacted, for these problems are the result of economic and demographic problems which need to be dealt with directly.

Let us reflect briefly on the interrelation between inflation and the high cost of housing. If there is an inflation rate of, let us say, 8 per cent, will mortgage rates fall below 8 per cent? Never, for only a fool would loan money at a rate that would ensure his losing real purchasing power from that investment. What happens to the price of land? Unfortunately, it becomes more expensive when more of it is bought for speculation. During times of inflation it becomes a good investment for it is a classical hedge against inflation. This sets off a vicious circle, vicious, that is, for the hapless, prospective home owner as increased demand forces up prices, making land a better investment against inflation and thus causing greater demand, higher prices, and so on and on.

● (2050)

To be far, I must admit that the Liberals did not pledge themselves to a fight against these basic problems in housing, and in this they have lived up to their word for they have certainly not tackled these basic problems.

Let us now turn to the government's latest Speech from the Throne to see what promise it holds and to search for any new commitment to a more thoroughgoing and coherent approach to legislation. The first thing that strikes me is that the government has finally seemed to realize that inflation is a problem of very serious proportions. That is well and good; but what form does that recognition take? It is, unfortunately, in the form of an extended *mea non culpa*. One wishes that half the energy which the cabinet puts into finding excuses were directed to finding solutions. Here the government has seen fit to blame the sinister forces of international economic problems for Canada's inflationary ills.

Is there any mention of the vast increase in the money supply? Is there any mention of lack of a government supply policy? Is there any mention of the effect of an increase in government expenditure of 19.6 per cent? Is there any mention of the inflation psychology fostered by statements like those in the throne speech, that inflation is a matter largely external to Canada and, therefore, beyond the control of the government? The answer to all these questions is no. Instead, we hear only the repeated incantation: international forces, international forces. This excuse, presages, unfortunately, the absence of any effective government legislation to deal with inflation. If the experience of the last throne speech is to be believed, for the good of the country let us hope that the government will instead do something effective and that the Minister of Finance will study carefully the speech which the hon. member for Don Valley made to the House last Friday.

On the lighter side, the address also contains a number of sections which seem to be on the same order as being for goodness, motherhood and apple pie. I am sure that all members of the House are for "the producer must be ensured a fair income for his work", of "the consumer must be ensured a fair value from his dollar," or my favourite, "research to make it possible to increase production, improve quality and lower costs". Babbitt is not dead while the writer of that cliché lives. There seems to be a strong emphasis on things being reasonable or fair, but virtually nowhere are we told what this is to mean in terms of objectives or policies.

[Mr. McKinnon.]

In reading the rest of the Speech from the Throne I am struck by the lack of any systematic view of what needs doing. There is a series of disjointed proposals. Each is of varying merit, although most are in some measure useful. However, they do not cohere. One cannot adduce from them any consistent approach or comprehension of the aspirations of the people of Canada. This is, I suppose, what above all else discourages me about the present Liberal government. It lacks direction. It lacks vision. In worshipping the exercise of power for its own sake, the government has not only lost touch with the people's hopes but also has reached a point where it even fails to comprehend the essential problems facing Canada.

I have been here now a relatively short time, 14 months, but sufficient time to form opinions about the ministers of the Crown. The ministers occupying the treasury benches seem unable to respond to or produce a call for action. Look at that front row. We see the Minister of the Environment (Mr. Davis) who acted as a second to the Secretary of State for External Affairs (Mr. Sharp) in his famous fight to keep tankers out of the Strait of Juan de Fuca. As the Leader of the Opposition said, "If that was a fight, we should get our money back." All pretence at even a token fight stopped, of course, when the Prime Minister declared that the tankers must go through.

Looking along the front bench further, we see the Minister of Transport who provided the layman's view about freight rates at the Calgary conference. At that conference there were only two people around the table who did not know anything about freight rates. Unfortunately, one was the Prime Minister and the other the Minister of Transport. This was embarrassing even to opposition MPs who were in attendance.

It has not gone unnoticed in British Columbia that the Prime Minister announced that the west was now to be officially considered as alienated and that steps would have to be taken to bring the western provinces back as the Liberals had done with Quebec. That message must have lost something in the translation, because the Minister of Transport almost immediately dictated that the airport in Victoria would become bilingual. Such ham-handed misinterpretations of the Official Languages Act makes it extremely difficult for the moderates in our country to prevail. I am only being half-facetious when I say the last person insisting on being spoken to in French at Victoria airport was reported to be Keith Spicer, and that was months ago. I do not wish to pursue that matter further, as in the present context almost any mention of bilingualism tends to exacerbate the problem. Perhaps I could close this subject by quoting Solzhenitsyn who said, "Intolerance is the mark of an inadequate education." There are, unfortunately, too many intolerant people on both sides of this question.

A little further along we find the hon. and affable President of the Privy Council (Mr. MacEachen) and House leader for the coalition, although the member for Winnipeg North Centre (Mr. Knowles) may be entitled to some of his extra allowance for the position. In his position as House leader he has taken a leading part in the negotiations concerning redistribution. Another title might be, "How to set democracy back ten years." In this cause he produced "Redistribution, 1974 approaches and

perspectives." Other than the misleading tables attached to his production, I object most strenuously to his peculiarly selective quotations from Laurier, Borden and St. Laurent which give the totally erroneous impression that these statesmen were not strong supporters of representation by population. This is a time for Oscars and Grammy awards, and to the government House leader I bestow the George Orwell award for creative history for the year.

I listened to and read about the speech which the Prime Minister made in Toronto last night. His speech this year in the debate on the Speech from the Throne was much better than that of last year. However, I resent his using the House of Commons for a trial run of the speech he was to make at a fund raising dinner in Toronto later. He told the same jokes there as he did here. He addressed a well fed and well heeled group of the Liberal establishment whose loudest applause was reserved for his assurance that the status quo would remain. Small wonder they applauded. They are not only able to protect themselves from inflation but, indeed, to profit from it.

Looking further down the front bench, we see the Secretary of State for External Affairs. This minister is the one who professed total lack of knowledge of any diplomatic freeze between the United States and Canada, although it was being discussed publicly in the United States. In point of fact, the state department of the mightiest nation on earth refused for two or three months to accept any Canadian diplomat above the Canadian desk level, yet our Secretary of State for External Affairs knew nothing about it.

A little further down the treasury bench we come upon the charming and hon. Minister of Finance. I wish to pay him a compliment. He is a true House of Commons man. I enjoy his speeches, but that does not mean I agree with him. He produced a budget on February 19, 1973, over a year ago. His most famous statement was, I suppose, when he declared the following on that occasion:

> This budget is aimed at reducing inflationary pressures in Canada and at offsetting the effects of past inflation . . . It is equally essential to reduce the squeeze of rising prices on family budgets and the erosion of the hard earned savings of Canadians.

That budget promptly generated the most disastrous erosion of savings and the highest inflation rate in modern times. I also wish to comment on something the Minister of Finance says frequently. He discusses the people he has dropped from the tax rolls. However, this goes back to the days of Mr. Benson who, on presenting a budget on June 18, 1971, said:

> Mr. Speaker, as a result of all the changes in taxation of personal income that I am describing tonight, 1,000,000 taxpayers who would otherwise pay taxes next year will be removed from the tax rolls.

● (2100)

The present Minister of Finance reiterated this on February 19, 1973, when he said:

> Tax reform introduced some 18 months ago removed from the tax rolls a million Canadians.

Continuing, he announced that one of the main points of the 1973 tax legislation was that three-quarter of a million people were dropped from the tax rolls. This means that wandering around the country out of a taxable population of a little more than seven million, there are 1,750,000 Canadians who have been removed from the tax rolls. And I have never met one of them. I don't know where they are. I wander the streets and I don't go around deliberately in the areas where everybody pays taxes, but in the poorer sections of my constituency I have never run into anybody who has said, "Thank God for Mr. Benson and for the present Minister of Finance. I have been removed from the tax rolls."

I thought this sounded kind of funny, so I had the tax returns looked up and my sources produced the basic statistics, the reports of 1971, 1972 and 1973 which show that in the year 1971, when Mr. Benson made his famous million cut, there were 7,363,963 taxpayers. In 1972, a year later, when the million should have presumably been taken off the tax rolls, there were in fact more than 7,600,000 taxpayers. This is like the flim-flam trick that goes on in the midway—the three-card trick where sometimes you see them and sometimes you don't.

The fact is that in 1973 there were still more people paying tax than there were in 1971. This is a cheap political trick. I would have come close to being unparliamentary by saying the minister was deliberately deceiving the House, except I did not think for a moment that anyone was being deceived. I did not think anyone would believe him, it was so patently dishonest. I was surprised to read a newsletter from the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) who quoted the figure of 750,-000 being dropped from the tax rolls. He took credit for it at that time. So apparently the minister did deceive at least one member of the House. These people have not been cut from the tax rolls. They have done a little paper jiggery-pokery and probably claim that if nobody had had a pay raise during the year, about a million would have been removed. But everybody's pay went up, and they were not removed. I wish they would quit trying to deceive the country in this way.

However, the minister usually pays close attention to both the Leader of the Opposition and to the honorable member for Don Valley, and though he is a slow learner he has no scruples about cribbing, so we look forward to an improvement, hopefully, in his next budget.

Moving back toward the centre, we locate the President of the Treasury Board (Mr. Drury). It is he who suggested a 3 per cent raise in pay for civil servants at or near the bottom of the civil service pay scale. He never seems, to me, to have the image of a cabinet minister. To me he works and acts more like a business comptroller who has been probably lent to the cabinet by some friendly corporation to keep control of their more woolly-headed socialist members.

There are too many members of the cabinet deserving of condemnation for me to deal with them all at this time, but I should not let the second row pass unmentioned since there we find such ministers as the Minister of Veterans Affairs (Mr. MacDonald) who appears to be trying to wind down his department. Perhaps he wishes to be the final minister of veterans affairs. Then there is the Minister of Consumer and Corporate Affairs (Mr. Gray) who, when the price of bread went up, suggested that people quit eating bread. There is an historical precedent for this. When Marie Antoinette heard that the people were rioting for bread, she said, "Let them eat cake." I am

surprised the Minister of Consumer Affairs did not think of this.

An hon. Member: The Prime Minister had another alternative.

Mr. McKinnon: Yes, he had another alternative suggesting a different kind of confection. We work our way along to the Minister of National Defence (Mr. Richardson) who has clearly ordered, now, that if war breaks out he should be awakened, even if is before 8 a.m. We work our way along to the end of the second row, past several ministers who belong mainly to the low profile, "keep out of trouble school," and we end up with the Minister of National Health and Welfare (Mr. Lalonde). This minister said in his maiden speech that he hoped to become a House of Commons man. His abrasive answers, or non-answers, to questions have done little to establish any such claim. It is hardly fitting or proper for a minister to tell questioners that they should read his press releases or his speeches and not to expect to get an answer in the Commons. After all, this is where we are entitled to ask questions and get answers.

In his department, incidentally, there has been tremendous growth in expenditures. They have risen to $6,854 million. I notice that the Grit member for Ottawa-Centre (Mr. Poulin) has stressed the growing danger of the drug heroin. But, like most back benchers in the Liberal Party, apparently he has little influence with the government because despite the enormous increase in the department's expenditures, the funds available for the fight against the non-medical use of drugs have been reduced. This leaves considerable doubt in my mind as to the correctness of the priorities of the minister of health.

I apologize to those ministers I have missed. It is not that they are unworthy of condemnation, but there is such a dreadful sameness about their gaffes and their maladministration that one wearies. I would not want you to think, Mr. Speaker, that they are not well-meaning people. They are. They are doing their best, and it is regrettable and most unfortunate for the country that their best should be so mediocre.

As I talk to my constituents, I am worried also at the degree of their alienation from our central government. To people in British Columbia, the federal government is a long way away. To them it is not only far removed but unfeeling. Inflation, high prices, shortages, rising federal taxes and budgets are things which are apparently beyond influence, matters controlled by a government of strangers whose actions are no more responsive to the importunities of the man in the street in Victoria than is the weather.

I find myself having to counter the argument that the federal government is irrelevant, though it is a sorry and lame reply to have to say that it must be important since it costs every man, woman and child in Canada $1,000 a year; that it must be important because it is the main cause of inflation and resultant insecurity for all. But the things that are visible and relevant to the citizens are their streets, sewers, highways and schools. All these things involve provincial or municipal government. I believe we must try to bring our central government closer to the people.

[Mr. McKinnon.]

The Speech from the Throne is almost irrelevant even as far as members of this House are concerned. How are we to involve the people if we cannot give them anything better than this poor excuse of a program for the session? Why not a Throne Speech some time which states precisely what the government intends to do about the main issues which concern Canada? One is tempted to attribute the government's timidity, when it comes to enacting more than remedial legislation, to lack of courage. But to quote Plato, "It is wisdom which makes courage, self-control and integrity possible, or, in a word, goodness". It is a disquieting thought, but perhaps it is wisdom that this government lacks. I fear it is so.

Some hon. Members: Hear, hear!

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I begin my participation in this debate by adding my congratulations to the mover and to the seconder of the Address in reply to the Speech from the Throne. This is one occasion when people in the back rows get a chance to lead off. Maybe this should happen more often. I do not agree with much of what they said, but I congratulate them on the way they said it.

The Speech from the Throne lists a number of measures which the government says will be placed before the House. Many of them are measures which members of my party, as well as of other parties, have been advocating for a number of years. I, for one, along with many other members of the House, an anxious to see just what this legislation will be. We are anxious to find out whether they put their actions where their mouth is.

• (2110)

Before I deal with some of the items in the throne speech I want to add a few sentences of my own to the plea that was made by my colleague the hon. member for Winnipeg North Centre (Mr. Knowles) on behalf of the senior citizens of Canada. I have yet to find a member of this House, of any party, who is opposed to the idea of reducing the pensionable age to 60, at least on a voluntary basis, so that a person who wants to leave the work force and retire at 60, or a person who has to leave owing to illness or for other reasons, can do so and be eligible for pension.

In addition to that, it seems to me we must now provide that the pension will go automatically to the spouse of a retiring senior citizen so that we put an end to the situation where thousands of couples in this country are living on one pension. When a man has reached 65 and is eligible for the old age pension, his spouse, if she is in her late fifties or early sixties and is not employed, should automatically become eligible for the pension.

Finally, while all of us welcome our accomplishment last session in getting the cost of living escalator clause built into the old age security pension, and we welcome the small increase—it was slightly larger than the Conservatives offered, but still small—to $100 a month, we must continue to take steps to increase the pension until it reaches the $200 a month level.

I compliment the hon. member for Verdun (Mr. Mackasey) on his speech this afternoon. He was much better able to keep his temper than I would have been; I would

have used some of the words that he said he would not use. But I do want to ally myself with the words he used in regard to those who were trying honestly, legally and properly to draw unemployment insurance benefits. The problem here, Mr. Speaker, is not the myth of the ski bum or the loafer who is drawing unemployment insurance; the problem is that people who are entitled to draw unemployment insurance and should be drawing it are being disentitled by the thousand each week. This kind of witch-hunt being conducted by a frightened Minister of Manpower and Immigration (Mr. Andras), in response to the rednecks and hardhats in his own caucus and in the caucus of the official opposition, is unfitting for a democratic government and democratic system.

Every member of this House has been swamped with phone calls and requests for help by people who have been disentitled to unemployment insurance benefits during the past year or more. I find, Mr. Speaker, that people are being disentitled because thay have been led into answering questions in a certain way during an interview and then conned into signing a statement in which they automatically incriminated themselves and caused their disentitlement to benefits.

I have no objection to a requirement that a person who draws benefits must be actively seeking employment. But I do object when overzealous officials of UIC go to the length of requiring a woman to refund $15 to the Unemployment Insurance Commission because she was honest enough to say there was one day when she was not available for work, and that was her wedding day. She did not get married until 6.30 in the evening, but UIC insisted that she send back $15 because she was unavailable for work that day. How cheap and "chintzy" can you get in a witch-hunt by a frightened Minister of Manpower and Immigration, some of his colleagues and members of the official opposition, to search out people who are allegedly drawing benefits to which they are not entitled?

This whole business about leading applicants to reply to questions and then to sign statements which under the regulations restrict them to a certain kind of job or amount of pay or location of work has been carried to an outrageous extreme, and I am glad the hon. member for Verdun made the speech he did today. I hope members of other parties will do likewise.

Items in the throne speech that we in the New Democratic Party are anxious to see legislated include, among others, the legislation that finally is going to set up a national petroleum corporation. May I say to my hon. friends opposite that we hope they mean business. This corporation must not be merely an agency whose efforts in research and planning, etc., are designed to do nothing more than aid and comfort the well-being of multinational oil corporations. This must be the beginning of a massive entry by the Canadian public, through public ownership, into research, exploration, production and distribution of oil and oil products. If the bill provides for anything less than that, I can assure hon. members on the government side they will have some problems.

The throne speech refers to an increased availability of feed grains. I am glad to see the Minister of Agriculture (Mr. Whelan) in the chamber. If the Minister of Agriculture and the minister in charge of the Wheat Board mean by "increased availability of feed grains" that more is available because the price on the open market and in the hands of the Winnipeg Grain Exchange is going to be cheaper, then I can assure both ministers that they, too, are going to have some problems. I hope that any measure brought forward to increase the availability of feed grains will provide that they are to be restored entirely to the jurisdiction of the Canadian Wheat Board and that this jurisdiction will apply from the Atlantic to the Pacific. If the measure does not mean that or something like that, again the Minister of Agriculture and his colleague from Saskatoon-Humboldt (Mr. Lang) are going to have problems.

The throne speech makes mention of "an agricultural stabilization plan to encourage rational production decisions", whatever that means. It also mentions "a prairie grain market insurance plan", whatever that means. I will say only this much about those two items. If one or both of them is designed to take the place of the misbegotten legislation that the minister in charge of the Wheat Board brought in in 1971, then it had better be much better than that legislation was.

I listened to the minister in charge of the Wheat Board on a farm broadcast a few days ago, Mr. Speaker, and you should have heard him. This is a man who could forget history, could rewrite history and could distort history that was only two years old. He made some remark about a few opposition members obstructing the legislation. Well, there were a few of us not only obstructing; we damned well stopped it going through because it was bad legislation. The minister conveniently forgets that the farm organizations were unanimous in their opposition to it, one of the few times when they have been unanimous about anything. He conveniently forgets the four reasons why we did all we could to prevent that bill from passing. If he forgets them again in this new legislation, then he and the Minister of Agriculture and other members on the government side are going to have some more problems.

The minister in charge of the Wheat Board can distort the record all he wishes, but that legislation was fought and prevented from passing because the government was attempting to repeal the Temporary Wheat Reserves Act. The minister in charge of the Wheat Board has now succeeded in doing that via the back door, by making sure there was not enough grain in store in the terminals at the end of the crop year so that the federal government would not have to pay storage costs under that act.

● (2120)

The minister now complains, and pleads with the farmers to haul grain. If he had kept grain in storage at Thunder Bay and Vancouver to 80 per cent of capacity at the end of the crop year last fall, he would not have to cry now for farmers to haul grain. However, he was able to save the government some money in that it did not have to pay its proper share of the cost of storing grain. He wanted to phase out PFAA, which has been done, but at least we got better crop insurance out of it.

There are two items which had better find their way into any government legislation in the form of stabilization bills. That legislation must include provision for some kind of escalator feature in respect of the increase in cost

of production based on net farm income rather than gross farm income. If this principle is not found in proposed government stabilization legislation, that legislation will be treated accordingly by the members of this party, members of farm organizations and others in this country.

A great deal has been said in the last few weeks in the press and in this House by spokesmen for farm organizations, spokesmen for the government as well as by the minister in charge of the Wheat Board, in respect of the movement of grain. In this regard the minister, during the question period today and on other occasions, has blamed all the difficulties on the snow conditions. He will not admit it, but the Canadian railways were behind in grain movements before the first snowflake fell in Saskatchewan or anywhere else on the prairies last fall. They were behind then, and they are further behind now.

There is nothing new about this problem. It has occurred and recurred almost every year since the end of the second world war. Successive federal governments have refused to face up to the problem and deal with it in any effective way. We had a classic example forcefully brought to our attention last winter regarding this situation on the prairies, showing how incapable our railway transportation system is to meet the transportation needs of the country. They have never kept up with transportation requirements. To understand that this is the fact one need only look at the deteriorating condition of our railway tracks and consider the inadequate number of snowplows and locomotives to deal with snow conditions. Mile after mile of the lines of both railways in the three prairie provinces sat unused for six or seven weeks this past winter without a wheel being put to them.

To illustrate this point I would refer to what was said by the hon. member for Saskatoon-Biggar (Mr. Gleave) yesterday. He said that 25 carloads of grain sat on one siding for almost 60 days. On a little siding in my own constituency, Adams, there were seven empty cars put in on January 29. Four of those cars were loaded on January 30 and three more were loaded on February 11. All seven cars are still sitting there. Four more cars were loaded yesterday by the elevator agent. He could not finish loading all the cars because the track was blocked with snow. I suggest there are thousands of carloads of grain on the tracks at various points which have been sitting there for weeks because the railways are incapable of moving them. Thousands of cars have been waiting to be loaded but the agents could not load them because they could not be spotted.

Both railway companies have decreased their maintenance-of-way forces, with the result that back tracks and switches have remained unshovelled and uncleaned for weeks on end. Snow fences are not only unrepaired; some have been taken down and never replaced. The CPR complained about having 19,000 miles of snow to plow in the prairie region this year as compared with only 1,000 last year. I would ask where their snow fences are and what has happened to their maintenance of way crews. The Minister of Transport (Mr. Marchand) complains that the railways thumb their noses at him and will not honour his requests. If the Minister of Transport has not learned by now that he must make the companies do these things, I suggest we need a new Minister of Transport.

[Mr. Benjamin.]

Another item which is in the throne speech concerns steps to be taken to end any discrimination in freight rates. We must see that suggestion implemented. I never thought I would live to see the day when discrimination in freight rates came to an end, but it is in the throne speech and we are now waiting to get the legislation. We are anxious to see it, because we want to know what the Liberals mean by "any discrimination in freight rates". That statement which appears in the throne speech is pretty all-inclusive. If the government is really going to act on this, it will be a great day for western Canada and I am sure this will be of help to the people in the Atlantic provinces, in northern Ontario and in eastern Quebec. When that is done, it will be a magnificent day. I think I can even stomach the Liberals a few weeks longer just to see that legislation.

An hon. Member: But how much longer?

Mr. Benjamin: Let me mention one or two other freight rate items in order to be helpful to the Minister of Agriculture. He might want to use my suggestions when he is finalizing the drafting of legislation, or to strengthen his proposals to the cabinet in order to make sure the legislation does in fact do away with discrimination in freight rates. It now costs 19 cents a hundredweight to ship live cattle from Edmonton to Vancouver. If you butcher the cattle in Edmonton and ship it to Vancouver as dressed beef, it costs $1.39 a hundredweight. It costs $2.90 a hundredweight to ship livestock from Prince Albert to Toronto; but if you butcher the cattle in Prince Albert and ship it as dressed beef to Toronto, it costs $3.40. What is even worse, the cheapest way of sending a carload of steel from Hamilton to Calgary is to ship it from Hamilton to Vancouver and then back to Calgary. The rate from Hamilton to Vancouver is $1.85 a hundred pounds, but from Hamilton to Calgary the rate is $2.65 a hundred pounds; yet Calgary is 700 miles closer to Hamilton than is Vancouver. If the Liberal government's legislation cures these problems it will be a great day for people in many parts of Canada.

I should now like to turn to another matter having to do with freight rates. The minister in charge of the Canadian Wheat Board reopened this matter when he said in a speech he made in Winnipeg last August that possibly it is time to review and adjust the Crowsnest pass rate agreement. Whenever anyone makes that suggestion, whether it is the hon. member for Saskatoon-Humboldt or an official of the CNR or the CPR, it only means one thing: the only way they will review and adjust the Crowsnest pass rates is upward. We have heard similar statements by the Alberta livestock association and the Palliser wheat growers. That would be selling out the grain growers of western Canada if we adjust the Crowsnest pass rates. The minister in charge of the Canadian Wheat Board and officials of the railway companies have said a good deal about the low Crowsnest pass rates, but none of these people has mentioned what the CPR received as part of the deal when the agreement was made.

Let me tell you a little bit about what the CPR received. They received $11,000 per mile, for a total of $3,630,000, to construct the rail line from Lethbridge, Alberta, to Nelson, British Columbia, through the Crowsnest pass and the Kettle valley. That represented about 35 per cent of the

cost. That is a real example of free enterprise getting welfare. That makes the people on unemployment insurance look like amateurs. The CPR also received nearly four million acres of land in 1897 when the Crowsnest pass legislation was passed in this House, including the mineral rights. They received six square miles of proven coal land from the province of British Columbia. The coal was there. Several tens of thousands of tons were being taken out of that area in 1897. In addition to that, they obtained a little deal to buy 33 miles of rail line, including mineral rights, some small smelters and mines in Trail and the surrounding area. Consolidated Mining and Smelting Company was established as a result of the Crowsnest pass agreement. In the last 60 years they have benefited to the order of some $300 million as part of the deal.

● (2130)

If the Canadian Pacific Railway is in fact losing money hauling grain—which I do not believe—as part of the deal, then it has been more than compensated through the profits from mineral operations and a host of other enterprises, as a direct result of what the people of Canada did in 1897. I hope the Minister of Agriculture will relate this to the minister in charge of the Wheat Board. He would have a better chance having the Ten Commandments amended than changing the Crowsnest pass agreement unless and until any increase in the Crowsnest pass rates is included in an income stabilization plan. We will have to have the income stabilization plan first and then maybe we will talk about the Crowsnest pass rates.

Certainly if the Crowsnest pass agreement is to be done away with, we will take the right-of-way, the buildings, the rails, the mines, the smelters, the profits and give them back to the people of Canada. If the deal is to be cancelled, we will cancel the whole deal. If they want to back out of an agreement which they signed which says "in perpetuity"—which is a long time—and they want to back out of the freight rates part, they can do so but they will lose all the rest of it. I think the government of Canada could have a nice time with the hundreds of millions of dollars from the mines and smelters of that area, which could be used for the benefit of the people of Canada and to provide old age pensions at age 60 from the profits.

I should like to say a little more about rail transportation, particularly as it applies to the Canadian Pacific Railway. What this company received as a result of the Crowsnest pass agreement has more than compensated it for the grain rates. In fact, the Crowsnest pass agreement provided for a rate reduction in respect of a host of other products from eastern Canada. I have yet to find out how that disappeared from the agreement, because those rates have been raised many times. That is a small matter compared to what happened in 1881. As we know, Canadian Pacific Railway received 25 million "suitable acres of land". I shall come back to that in a moment. It also received $25 million in cash. We thought that was the end of it.

One might read the legislation and the agreement of 1881 which appears in chapter I of the Statutes of Canada, an act respecting the Canadian Pacific Railway Company. There one will find that the CPR received many more things. They received 213 miles of railway that had already been constructed by the government of Canada between Selkirk and Emerson. The agreement also called for the government of Canada to construct and turn over to the Canadian Pacific Railway Company the lines required from Fort William to Selkirk and from Kamloops to Port Moody. There was not much left for the CPR to build. It received 25 million acres, including mineral rights, and $25 million in cash and some more. In the legislation it also received from the government and the people of Canada duty free entry for all the material required for the construction of that railway—the rails, the telegraphic equipment and everything else. Then they received massive exemptions in respect of property and land taxes. The legislation reads:

> The Canadian Pacific Railway, and all stations and station grounds, workshops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof, and the capital stock of the company, shall be forever free from taxation by the Dominion, or by any province hereafter to be established, or by any municipal corporation therein; and the lands of the company, in the Northwest Territories, until they are either sold or occupied, shall also be free from such taxation for 20 years after the grant thereof from the Crown.

I read some of the debates of the House of Commons for that day. I find that one, the Hon. Edward Blake, had something to say. By the way, it turned out that the Conservatives offered so much and lost, and the Liberals came in and offered more for the Crowsnest pass agreement. The Conservatives offered $6,000 per mile, and the Liberals offered $11,000 per mile. In 1880 in the House of Commons, the Hon. Edward Blake had this to say about what the government of Canada was doing for the Canadian Pacific Railway Company:

> The great mass of railways in this country have been constructed out of resources mostly provided by private individuals. Considerable sums have, from time to time, been given by way of aid or subsidy by the government towards the construction of some lines, but the main portion of the capital of these railway companies is private capital.

He went on to say:

> —but the same considerations are not at all applicable to a case in which you say to some individuals: Gentlemen, we will give you as much and half as much again as is necessary to build this railway, and we will let you own it afterwards. It is not the work of private capital at all. These men will, for a little while, until they make some land sales, invest four or five millions which will be recouped to them within a very brief space of time, and then they will have this enterprise without having sunk a dollar of their own money in it, and will have millions of acres besides.

Mr. Speaker, that is some of the background and history of the Canadian Pacific.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, first of all I should like to join with other hon. members in congratulating the mover and the seconder of the address in reply to the Speech from the Throne. I think they both did a remarkable job and deserve great credit. I also wish to associate myself with the tributes paid to His Excellency the Governor General and Madame Leger. I wish them both a most happy and successfull mandate at Government House.

Ever since I have been in this House, Mr. Speaker, it has always been a pleasure for me to observe the dignity and

the diplomacy with which you have carried out your very difficult duties. I am certainly happy that hon. members saw fit to re-elect you, and also the Deputy Speaker to preside over this new session. I offer you both my best wishes.

● (2140)

In my maiden speech in this House last year I said I was very honoured that the people of Cardigan elected me as their representative in Ottawa. It is now over a year since they gave me that privilege, and I must say that I find it more and more challenging and interesting to work on behalf of the people of Cardigan as time goes by. They have continued to show their complete support for whatever I have endeavoured to do for them. I think I can say in all fairness that they appreciate what has been done for them during the past 16 months. Needless to say, I look forward to many more months and years of working on behalf of those who elected me.

As hon. members know, last year marked the one hundredth anniversary of Prince Edward Island's entry into confederation. Although the seeds of confederation were planted in Charlottetown in 1864 and the dream became a reality in 1867, reluctant islanders waited another five years before finally joining confederation in 1873. Of course, we were extremely proud and happy to celebrate all three of those centennials with equal vigour and enthusiasm. In 1973, Canadians from all over the country joined islanders in celebrating their anniversary. The former Governor General and Mrs. Michener officially opened the celebrations on January 1, 1973. From then on it was a year of festivities and of various events to commemorate the historic occasion. We were particularly honoured that Her Majesty the Queen and Prince Philip could join with us in celebrating the centennial. This was certainly one of the highlights of an exciting year. For me the occasion was all the more memorable because Her Majesty spent a considerable amount of time in my riding of Cardigan.

We were also privileged to have the Prime Minister (Mr. Trudeau) and the federal cabinet pay a visit to the island and hold a cabinet meeting in the historic Confederation Chamber at Province House. This was the first time the federal cabinet had met in Charlottetown since confederation. Needless to say, I was particularly proud to take part in that historic event. I wish to take advantage of this opportunity, Mr. Speaker, to express, on behalf of all islanders, our most sincere thanks to all hon. members, and indeed to all Canadians who came to the island and joined with us in celebrating our memorable anniversary. I am sure that the hospitality and the friendliness with which you were greeted will prompt you to come again as often as possible.

Hon. members will recall that a comprehensive development plan for the island was signed in March, 1969. I will not go into the details of the plan as I am sure hon. members are familiar with it. However, I would like to point out that since the implementation of the plan, the number of people leaving the island has declined substantially to the point where we now have a real population growth on the island. This means that a whole new generation of young people can find interesting and challenging opportunities on the island instead of having to move to other parts of Canada or to the United States.

I should also point out that the numerous DREE projects which have been, and continue to be, approved for the island are of tremendous help to our economic development. I think the decentralization program that the Minister of Regional Economic Expansion (Mr. Jamieson) is now carrying on for his department will make it still more effective.

Another point that I should like to mention about development is that although we are looking forward to a fairer degree of economic development which would continue to offer our younger generation better opportunities for work, at the same time we are also looking at the quality of development that we want for our island. I do not think we are prepared to have development simply for the sake of development. We are also extremely concerned with the over-all environment of the island. We are becoming more and more aware of the fact that our geographical location puts us in a rather privileged position today. We realize that people from big cities envy us, and we would certainly want to try to avoid some of the mistakes they have made and perhaps belatedly regret. In other words, we are looking for a certain quality of development which will help us enjoy a reasonable standard of living but at the same time will help us keep and develop those environmental qualities which we still have and which have become so precious today.

In the agricultural sector, some of the programs related to the development plan helped island farmers enjoy a particularly good year in 1973. I am pleased to note that the Speech from the Throne speaks of a number of measures which will continue to help the farmer produce in greater quantity and quality so that we can achieve stabilization of food prices. In that respect I think the Minister of Agriculture (Mr. Whelan) has demonstrated great leadership and is moving in the right direction.

Island fishermen have also shared in this prosperity with good catches and increased earnings. The fishermen were extremely pleased with the compensation program for replacement of the gear they lost during a particularly severe storm. Some $617,000 was received by 845 fishermen on the island in compensation for their heavy losses. This was approximately two-thirds of the total losses, and the provincial government reimbursed the fishermen for the remainder.

Another very important fisheries development in P.E.I. is the small harbours development program. Results of the 1973-74 supplementary program can already be seen, and $335,000 was allocated to upgrade facilities at many of the island's small craft harbours. I am pleased to see that the Speech from the Throne refers to further "improvements in harbour facilities for fishing fleets." I think the Minister of Fisheries (Mr. Davis) and the Minister of Public Works (Mr. Dubé) have shown great understanding of the fishermen's needs in this regard.

Even before confederation transportation was a major problem in Prince Edward Island. One of the terms of confederation was that there would be a continuous link with the mainland. Because of this promise the federal government remains continually abreast of the problem of transportation. At the present time, two ice-breaker fer-

ries travel between Borden and Cape Tormentine, New Brunswick, in the winter, with four additional car ferries in the summer. This provides a superior year-round freight and passenger service between Wood Islands and Caribou, Nova Scotia. Planning is under way for more secure facilities at Wood Islands for the convenience of the travelling public, as well as improved berthing facilities. This construction should be completed by 1976. I am encouraged by the co-operative attitude of the Ministry of Transport in helping to alleviate transportation difficulties for islanders, and by the willingness to arrive at and ensure economic transportation access to markets in central and western Canada for island producers.

Turning to my Department of Veterans Affairs, I think I can say that we have had a most successful year from many points of view. The legislation enacted for Canada's veterans during the previous session of this parliament was far reaching and of vital importance. It incorporated some basic philosophies and principles which were proposed many years ago. It opened new doors for both veterans and their dependants to enjoy a richer and more secure way of life.

As hon. members are aware, there are three acts which govern the compensation paid to veterans and their dependants. These are the Pension Act, the War Veterans Allowance Act, and the Civilian War Pensions and Allowances Act. Last March, Bill C-148 was passed. It amended the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act so that they assumed a completely new profile. In effect, this bill changed the qualification requirements for allowances from a means-tested program to a limited income-tested program. This was done by removing the 'imitations covering personal property. In the same bill, the rates and ceilings were adjusted upwards, which resulted in a 25 per cent increase for the single recipient and a 28 per cent increase for the married recipient. Of course, these amounts continue to increase each year as a result of previous legislation which provided for automatic annual increases based on the consumer price index.

● (2150)

In his remarks a few days ago, the hon. member for Winnipeg North Centre (Mr. Knowles) raised a question about the War Veterans Allowance Act, and particularly the fact that some veterans would be discriminated against. I simply wish to say to my hon. friend that every veteran in this country has received, and will continue to receive everything that is due him. Furthermore, I hope to be in a position very shortly to introduce legislation that will further amend the War Veterans Allowance Act so that benefits to veterans will be further enhanced.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Next week?

Mr. MacDonald (Cardigan): Last June, the Pension Act was amended by the passage of Bill C-202. Under the Pension Act, pensions are awarded, as a matter of right, for death and disability related to military service in wartime. The bill provided an immediate increase of 24 per cent in the basic rate but, more importantly, it tied the rate to the average salary of a composite group of employees in the public service. Now, for the first time, the disability pension rate has achieved parity with the current cost of living standard. This was probably one of the most significant single advances in the history of Canadian veterans' legislation in more than 50 years and I think the veterans' organizations of this country deserve great credit for the very important ocntribution they made in the preparation of this legislation.

Another aspect of the whole pension system to veterans that I should mention very briefly is the question of backlog. As hon. members know, the legislation passed by this House in 1971 opened the door to a deluge of pension applications from veterans. This situation has created a considerable backlog with which the commission has been struggling ever since. I am happy to report that since last year that backlog has been considerably reduced. Whereas a year ago it was over 9,000 applications, it is now down to 7,300. What is more significant and encouraging is the fact that the monthly output of decisions has almost doubled since last year. I think the Canadian Pension Commission, together with the pension review board and the bureau of pensions advocates deserve great credit for this increased efficiency. I am sure this trend will continue and that in the not too distant future we will have eliminated that backlog.

On the subject of veterans' hospitals, Mr. Speaker, I should like to mention that the government's policy of transferring hospitals to the jurisdiction of provinces is progressing quite well.

Mr. Beattie (Hamilton Mountain): Says who?

Mr. MacDonald (Cardigan): I say that. Three hospitals have already been transferred and negotiations are well under way for the transfer of a few more. I have no time to argue; the clock is moving too fast, Mr. Speaker. Although some people would like to see the veterans' hospitals remain as they are now, we certainly feel that it is in the best interest of veterans to proceed with these transfers. Otherwise, we run the risk of having to operate geriatric institutions within a short number of years and this is certainly not in the best interest of our veterans' population, not to mention the fact that it is becoming increasingly difficult, if not impossible, to find well qualified professionals to look after our veterans.

The year 1974 will mark two important events for the veterans of this country. As hon. members know, this coming June will be the thirtieth anniversary of the landing of the allied troops in northern France, which resulted in the liberation of Europe and the end of the second world war within one year. The government will certainly take a very active part in those celebrations, and I will be making an announcement very shortly concerning the participation of Canada in those ceremonies.

This year will also mark the twenty-fifth biennial national convention of the Royal Canadian Legion. This very important gathering will take place in St. John's, Newfoundland, during the first week of June. I do not think I need repeat here the important contributions made by the Royal Canadian Legion on behalf of all those who served their country in wartime.

Mr. Speaker, the Veterans Land Act has been a most successful post-war rehabilitation program and for that

reason alone it is not surprising that representations have been made by members and by veterans organizations to extend the March 31, 1974, deadline for veterans to submit loan applications for the purchase of properties. In addition, some of the representations made have requested the reopening of the October 31, 1968, deadline for interested veterans to obtain a VLA certificate of qualification, that the loan ceiling for smallholding settlement purposes be increased and that the minimum acreage requirements be eliminated to enable veterans to purchase city-sized lots in urban areas. Notwithstanding the many occasions on which I have already done so, Mr. Speaker, I believe it is fundamental in the consideration of these requests to review the intent and purpose of the Veterans Land Act.

Mr. Beattie (Hamilton Mountain): You do not have much time.

Mr. MacDonald (Cardigan): The Lord being good, I will make it. First and foremost, it was one of three alternative rehabilitation—

Mr. Horner (Crowfoot): There is no question about the Lord being good. He is good. The Lord willing is the question.

Mr. MacDonald (Cardigan): —programs enacted to assist veterans on their return to civilian life following wartime active service. Its purpose was to provide a measure of financial assistance to those veterans interested in settling on the land as full or part-time farmers, or in association with their occupation as commercial fishermen. For those veterans not interested in or who did not consider it practical to settle under the terms of the act, alternative benefits in the form of educational assistance or re-establishment credits were available.

I think it must be emphasized that the Veterans Land Act was a post-war rehabilitation measure and that almost 30 years have elapsed since the end of World War II, and 20 years in the case of the Korean conflict. I suggest it is difficult, within the normal sense of the words "rehabilitation in civilian life", to contend successfully that after these periods of time the words have any meaningful application. This is borne out by many of the individual letters I have received. Time and again reference is made to the fact that the veteran intends to retire in one, two, five or ten years' time and he would like to use the loan provisions of the act to acquire a retirement home. I am certain this was never contemplated when the legislation was enacted, nor when parliament gave unanimous consent in 1965 to the establishment of deadlines for phasing out VLA lending operations in a reasonable and orderly manner.

I stated earlier that, as the name implies, the Veterans Land Act was oriented toward agriculture to assist veterans interested in land utilization to acquire farmland for operation on a full or part-time farming basis. There is no question that the vast majority of the 130,000 veterans settled under those provisions of the act did utilize their properties for agricultural purposes, with the main body of those established as full-time farmers continuing to do so. This, however, is neither the purpose nor the inclication today of veterans and others who want the act extended. Mr. Speaker, the desire today for an extension of VLA lending operations coupled with an increase in the smallholding loan ceiling and elimination of the minimum acreage requirement is to provide assistance on favourable financial terms for the purchase of homes, including even condominium units, in urban areas.

Mr. Knowles (Winnipeg North Centre): What is wrong with that?

Mr. MacDonald (Cardigan): Similar representations have been made throughout the 30 years that the Veterans Land Act has been in operation. On all occasions, and notwithstanding modifications made from time to time in the minimum size regulations, successive governments have recognized and adhered to the basic concept and purpose of the act. I strongly suggest that to do otherwise now would be grossly unfair to the many thousands of veterans who were not interested in, or found it impractical to live on a half-acre of land or more and made alternative, less favourable financial arrangements for the purchase of urban properties.

● (2200)

In the same connection, Mr. Speaker, I should like to remind hon. members that on the recommendation of the Royal Canadian Legion part II of the Veterans Land Act was brought into being as far back as 1954 to provide assistance to those veterans interested in building their own homes on city-sized lots with National Housing Act mortgage financing. More than 4,500 veterans have used the provisions of part II in the 20 years they have been available.

It is acknowledged, of course, that the provision of suitable living accommodation necessarily has been an integral factor in the establishment of veterans under the Veterans-Land Act. Since the inception of operations, over 40,000 new homes have been constructed. This accomplishment has not, however, altered the fundamental purpose and orientation of the legislation, nor has it converted the program into a straight housing measure serving to duplicate or conflict with the provisions of the National Housing Act.

I remarked earlier that the Veterans Land Act was one of three alternative rehabilitation schemes. The university training program was concluded in the mid-fifties. The re-establishment credit benefits provided under the War Service Grants Act terminated October 31, 1968, which was also the final date for veterans interested in the possibility of settling under the Veterans Land Act to obtain a certificate of qualification. The periods in which these alternative benefits were available were considered to be adequate and appropriate, and it seems evident that the same opinion was held concerning the Veterans Land Act when in 1965 parliament gave unanimous approval to establishing March 31, 1974, as the final date for qualified veterans to submit loan applications for the purchase of properties.

Almost nine years have elapsed since that deadline was established. The terminal date has been well publicized. I am of the opinion, therefore, that veterans sincerely interested in obtaining VLA benefits for the purposes contemplated by the act have had ample time in which to do so. Virtually every veteran who obtained a VLA certificate of

qualification by the deadline of October 31, 1968, had already utilized the benefits alternative to those of the Veterans Land Act. In the circumstances, adherence to the lending deadline specified in the act will not represent a denial of benefits to any veteran.

On January 11 last, as reported at page 9281 of *Hansard*, I stated that if I had sufficient information to make me think the deadline date should be changed I would so recommend to the government. I want to assure you, Mr. Speaker, that I have carefully considered all relevant representations and data, including that determined by the Royal Canadian Legion in the survey it conducted last December. I am unable to conclude that such a recommendation would be warranted or appropriate.

Mr. Horner (Crowfoot): Mr. Speaker, may I call it ten o'clock?

Mr. Speaker: It being after ten o'clock, this House stands adjourned until eleven o'clock tomorrow morning.

At 10.05 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, March 8, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSING

PROGRAM FOR RURAL AND NATIVE HOUSING—STATEMENT BY MINISTER

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I should like to make a short report to the House on some meetings I had yesterday, together with officials of Central Mortgage and Housing Corporation, with representatives of provincial Métis and non-status Indian organizations and the Native Council of Canada.

During the course of those meetings I outlined to them the elements of a federal rural and native people's housing policy. I am happy to report that these plans were very well received. I should like to inform the House about these consultations and the important new policy initiatives which we are proposing to meet the housing needs of people in the rural areas of Canada.

Before I go further, Mr. Speaker, I should like to say that I had instructed that copies of this statement be distributed in the usual way to members opposite. I understand there has been some complication and members obviously have not received copies of the statement, for which I apologize. If they will look at my behaviour in this regard in the past they will remember that I have assiduously tried to observe that courtesy.

Mr. Stanfield: It must be the Post Office.

Mr. Basford: While there are still some aspects of implementation and administration to be discussed, the native people's organizations have indicated to me in a general way that they welcome the initiatives we are taking. We emphasize, however, Mr. Speaker, that this policy and its programs will serve all people in isolated and rural Canada according to need or according to income and without regard to race or ancestry. Hon. members will recognize, however, that such a policy could not be successful if it did not also meet the particular needs of native people who, in many areas, require new housing on a priority basis.

The goal of this policy will be to build or acquire up to 50,000 housing units for rural and native families in the next five years.

We will invite the provinces, and I have consulted with them, to participate in achieving this goal through a federal-provincial partnership arrangement under section 40 of the National Housing Act which provides for sharing of capital costs, 75 per cent by the federal government and 25 per cent by the province. By this technique we can provide housing in rural and isolated areas for purchase at monthly payments directly related to income which, in many cases, is extremely low or non-existent.

With provincial concurrence, we will also extend the benefits of the new residential rehabilitation assistance program to rural settlements, in cases where people's needs can best be met by permanently improving the dwellings they already occupy.

In addition, the federal emergency repair program which began three years ago will, as requested, be continued for a few more years for those native families living in substandard dwellings until new units are available.

CMHC will give special assistance to rural people to ensure that they are able to make the greatest possible use of the whole range of NHA programs, including assisted home ownership, non-profit and co-operative housing.

Special standards of residential construction will be developed to accommodate the special needs of rural and native communities.

Wherever possible, we will see that housing projects provide not only shelter but opportunities for employment of local people, job training and local economic development. All federal programs which can have an effect on the health, welfare and social and economic well-being of the people concerned will be integrated with the housing activity. This will involve such federal departments as Manpower and Immigration, Indian Affairs and Northern Development, National Health and Welfare, Regional Economic Expansion, Finance and Secretary of State. To this end an interdepartmental and intergovernmental committee will be formed in each province in Canada.

● (1110)

A key factor in the success of the program will be the direct involvement of the people themselves in the planning, implementation and administration of the programs. Native people's organizations in particular have been very successful in recent years in developing self-help projects and we will continue to provide financial support for these organizations and for any others who are willing and able to take this kind of initiative. Central Mortgage and Housing Corporation, as requested, will take immediate steps to recruit and train people at corporation offices and to set up other short-term training programs to increase the skill and knowledge of those involved in native housing organizations and housing programs, in order that they can take full advantage of the legislation and the budget. In addition to strengthening the head office staff which deals with native housing matters, the Corporation will second

staff to provincial native organizations where their skills may be required.

As I have already indicated to the House, Mr. Speaker, assistance in training and development, like all other aspects of the policy, is equally available to all rural people.

Hon. members will recognize that the rural and native people's housing policy, in several of its aspects, provides an opportunity for provincial government participation. I had already, before Christmas, consulted with my provincial counterparts and formally advised the provincial ministers yesterday of this fact, and I will be arranging to meet with them in the next few weeks to enlist their formal co-operation. Following these consultations, I will be meeting again with the native people's organizations and I am confident that, for the 1974 construction season, we will be well launched on an aggressive campaign of native and rural housing programs.

I am happy to report these details to the House. By any standard, Mr. Speaker, we are one of the best housed peoples in the world. We are also a rich, successful society. But in that society, in the rural and isolated areas, we have some of the worst housing of any people in the world, much of it inhabited by people of native origin. These proposals which the government has made to the native organizations will, in my view, promote a major replacing of that housing. It will require an immense amount of work by those of us in the federal and provincial governments and in the native organizations themselves, but I hope all three groups are ready to begin to implement these proposals immediately.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my first words, of course, will be to congratulate the minister and hope that the program will be as successful as he suggested it will be. I did not really expect him to make this statement today. I read about the program in the newspaper last evening but received a copy of the statement just now. That may have been due to accident or some other reason.

Without having read the statement, I think I can comment because I know something about the native people of Canada, those who live on reservations and those who do not. I noticed one omission in the statement. Nothing was said about the native peoples living in the two northern territories of Canada.

In the statement the minister dealt at some length with federal and provincial arrangements for co-operation in housing. When we deal with housing for the native peoples of Canada who live either on reserves or off, we must consider the conditions under which they live. Anyone who has visited native people living on reservations will be aware of these conditions. I have personal knowledge of the conditions under which they live in western Canada because I had the honour for a number of years to represent the people of the former constituency of Bow River prior to redistribution.

In that constituency are two reservations, the Blackfoot Reservation and the Morley Reservation. I also know something about the people in the area where the right hon. gentleman from Prince Albert (Mr. Diefenbaker) lives, having practised law there for some time. I am aware of the conditions under which native people live in northern Saskatchewan. I say, and I think all hon. members will agree with me, that the conditions under which native people have been forced to live, either by the Indian Act or by governments in the past, stand as a monument to our inhumanity, of our inhuman attitude toward these people.

On many occasions we have read in the newspapers about the poor housing to which these people have been subjected over the years. They are forced to burn energy other than natural gas or oil. Many times there have been fires and families have been destroyed along with their houses. These people have been forced to live under such conditions for a number of years. Therefore I wish the minister success in this program.

The minister talked about 50,000 houses. If there could be a crash program and these 50,000 houses could be built immediately, it would certainly relieve much of the present suffering and inhumanity.

I hope the minister will also take a hard look at another fact that is all too often forgotten. Schools and hospitals have been closed on reservations and the children are forced to go to school elsewhere. These people should be able to enjoy a high standard of hospitalization within their own region.

It was my fortune this morning to meet with a group of native people in connection with their oil rights on certain Indian reservations, particularly with regard to the surtax being creamed off in the sale of Canadian crude petroleum. These people were promised certain things by their treaties. They should be entitled to share in that tax so that their living standards can be upgraded not only with regard to housing but other basic needs such as food for their families. One need only visit those families and see the manner in which they live to realize they are badly in need of assistance.

I again wish the minister every success in this program. I hope it is a crash program and that it will get off the ground and not just be a matter of words.

Mr. Frank Howard (Skeena): Mr. Speaker, the other day I read in the newspaper that Mr. Lawrence Gladu had been appointed to the Native Housing Committee of Central Housing and Mortgage Corporation by Mr. Teron. I am pleased to see that some attempt is finally being made to involve native people formally in the activities of Central Mortgage and Housing Corporation. Mr. Gladu, along with others, will be a great asset with regard to native housing needs.

The statement made by the minister today is long overdue. It would have had much more impact three, four or five years ago. It would have been much more valuable at that time. Nevertheless, it is welcome. I am sure the native people will feel that some recognition is finally being given to the deplorable conditions under which they have had to live for many years.

When the forces of society can be organized and developed and the wealth of society used to assist those who are disadvantaged, it is a credit to the political system of this nation and, indeed, to society itself. There should not be any question about our endorsement of that philosophy.

We regret that we did not get a copy of the statement until the minister was delivering it in the House. If we had had an opportunity to look at it earlier, my colleague, the hon. member for Northwest Territories (Mr. Firth), would have replied because he has been concerned about this subject matter long before becoming a member of the House. He is concerned, and I am sure others are about the lack of any reference in the minister's statement to involvement of people in both the Yukon and the Northwest Territories in participation in this program. The minister talks about a 75-25 per cent division of capital costs between the federal government and the provinces, but nowhere does he make reference to what is to be done about the territories. I hope this was an oversight on his part, that in the rush to put things on paper it just slipped his mind, that it is not really a slip in policy but that there will be some involvement of a comparable nature respecting native people in the Northwest Territories and the Yukon who far too often are left out of consideration in matters dealt with by this government.

● (1120)

The native people generally have been at the bottom of the economic level for as long as we can remember. They have been the single most disadvantaged group in Canada in educational opportunities, in social development, in rapport with the rest of society, in the degree of recognition extended to them by parliament and the legislatures. While this program is welcome, it is just a slight step in the direction of society paying attention to the single most disadvantaged group we have had in this country over the years and still have.

There are two groups of native people in terms of legal definition, which is unfortunate. First, there are those who are registered as members of a band and classified as such, registered Indians and, second those who fall in the general classification of being Metis or as not having Indian status. In the statement, or that part I have been able to read since it reached us, the minister talks of native people who do not live on reserves. I think this is a sad situation that should not be perpetuated. We should not think in terms of a division between people, of reserve housing and housing which is not on reserves; we should think in a total sense about this matter.

The minister talks in terms of rural areas and I am sure neither the minister nor the native people would want to see a situation where once again native people are singled out as a particular group entitled to a particular quality and type of housing in rural areas where non-native people encounter the same difficulties in respect of sewage facilities, septic tank facilities, water facilities, electrical energy facilities and all those other things. The program should not be promoted as an idea that would be divisive within a community but, rather, all-encompassing.

There were a couple of other failings in the minister's statement which need to be looked at. I refer to interest rates and land assembly costs, the cost of land and the cost of money. These are the two greatest factors in the escalating cost of housing in this nation. If this housing program is going to proceed as envisaged by the minister, and if it turns out later that the people who rent these homes or seek to buy them find that their economic position in life is insufficient for them to be able to pay the interest rates or the land costs, then a few years from now they will be in no better relative position than they are now. Unless the problems of interest rates and land costs are tackled, things may come to an end sadder than anticipated by the minister in his glowing statement. Apart from that, this is a welcome move and, I hope, just a commencement.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I heard with pleasure the statement of the Minister of State for Urban Affairs (Mr. Basford) this morning because I represent, in fact, an area or a constituency which includes the two areas mentioned in his statement, Indian reserves and rural regions.

The questions which come to my mind and which will have to be brought to the attention of the minister for explanations are, undoubtedly, the provisions concerning loans with regard to the cost of these buildings. I have had the chance to visit personally the reserves in question where homes already supplied with the help of the government were in some way adequate for the needs of the moment. But the same help for Canadians in rural areas is far from satisfactory. I sincerely hope that this new policy will properly allow underprivileged residents of rural areas to gain justice in the field of housing.

On the other hand, the minister stated that special standards for home construction will be formulated. I sincerely hope that the minister will properly revise the standards that were used by the Central Mortgage and Housing Corporation these last few years, especially in the Quebec region. According to the standards of the Central Mortgage and Housing Corporation, buildings were found with two inches of ice in wardrobes. Therefore, it is nearly time that these standards be better formulated and especially that Central Mortgage and Housing Corporation inspectors do some positive work.

I hope that the minister will revise not only his policy but also the standards and their enforcement by his department to give justice to the whole population and, especially, as intended in this motion, for people in rural areas.

* * *

[*English*]

COMBINES

IMMEDIATE APPOINTMENT OF DIRECTOR OF INVESTIGATION AND RESEARCH—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 to seek the consent of the House to move a motion in a case of urgent and pressing necessity. The Combines Investigation Act was designed to protect consumers against the voracious appetite of corporations for profits and to deal with such matters as price fixing, predatory pricing and the like. The urgent situation that has developed is that the potential for protecting the consuming public is being stifled by the government through its refusal to appoint the appropriate officers. Therefore, I move—

Transportation

Mr. Speaker: Order, please. Before the hon. member presents his motion, I think I have the obligation to remind him and again to remind the House that the practice is well established in relation to motions under Standing Order 43. Hon. members are allowed under the Standing Order to propose such a motion, which is not debatable, because it is suggested that the matter is one of urgency.

In view of the fact there is no possibility under the rules for someone on behalf of the government or on behalf of another party to reply to allegations or charges made in the explanatory preambles to such motions, I would invite hon. members to refrain as much as possible from making charges or allegations which can only give rise to debate. I suggest to hon. members that they limit their motions as much as possible to the motion itself. I apologize to the hon. member if I interrupted him just at the moment he was going to make his motion.

Mr. Howard: Mr. Speaker, I apologize to Your Honour for causing you to rise, but the subject matter necessitated some kind of comment prior to moving the motion. If the hon. member for Windsor West (Mr. Gray) were in the House I am sure he would second the motion, but since he is not, I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House is of the opinion that a more effective administration of the Combines Investigation Act on behalf of the consumers of Canada can be brought about if the government will exercise the authority given to it by section 5, subsection 1 of the Combines Investigation Act, and appoint immediately a director of investigation and research.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Skeena under the provisions of Standing Order 43. The motion requires the unanimous consent of the House. Is there consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

TRANSPORT

PROPOSED LIGHT RAPID TRANSIT SYSTEM, TORONTO—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Harney (Scarborough West): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek leave of the House to move a motion on a matter of urgent and pressing necessity. In view of the fact that the Toronto transportation plan review, in recommending against the Scarborough expressway, proposed a light rapid transit system, and since the rolling equipment for such systems is now available in the United States only, I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

● (1130)

That the Minister of Transport (Mr. Marchand) consult with his counterparts at the provincial level for the purpose of working out a program for the production in Canada of the rolling stock that will be needed for light rapid transit systems.

[Mr. Howard.]

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

HOUSING

METROPOLITAN TORONTO—ACTION TO CURB SPECULATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Don Blenkarn (Mississauga): Mr. Speaker, I rise under the provisions of Standing Order 43 on what I suggest is a matter of real pressing necessity. In view of the fact there is inordinate speculation in real estate throughout Canada, particularly in the metropolitan Toronto area, and that a lot of this speculation is financed directly or indirectly by lending institutions, I move, seconded by the hon. member for York East (Mr. Arrol):

That this House direct the government to use its powers over banking and interest rates to prevent lending institutions advancing money directly or indirectly on debt instruments registered or unregistered that affect the financing of vacant land or developed land and buildings where the land value represents in the valuation more than one-third the total of the value of land and buildings combined.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT ADMINISTRATION

EXERCISE OF RESTRAINT IN SPENDING—REASON FOR GROWTH IN PUBLIC SERVICE AND USE OF OUTSIDE CONSULTANTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the right hon. Prime Minister. In the budget speech of last year the Minister of Finance said that the government was determined to exercise restraint in spending. In light of the spending estimates, will the Prime Minister indicate very briefly to the House what the government's restraint program is and whether it is being implemented in the government's opinion?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is an ongoing concern of the government, which always looks at each program as it comes up, estimates its value and determines the effect of it on the

citizens, particularly the needy ones, and chooses between a whole set of priorities which are constantly before the government, some of which even met with the approval of the opposition last spring. We are constantly making these assessments and obviously trying to spend as little money as possible as we are not interested in raising taxes unless we have to.

Mr. Stanfield: Mr. Speaker, has the Prime Minister issued any specific instructions or guidelines to his ministers directing them to institute any restraint or discipline in respect of the operations of their departments?

Mr. Trudeau: Yes, quite frequently, Mr. Speaker, and generally I have the strong support of the President of the Treasury Board.

Some hon. Members: Oh, oh!

An hon. Member: The old rug ranker again.

Mr. Stanfield: Mr. Speaker, in view of the growth in the Public Service by nearly 25 per cent over the last two years and the growth in the use and cost of outside consultants from about $300 million when the right hon. gentleman took office to nearly $800 million next year, is there any explanation for this, particularly in view of the accepted fact that it is the poor who pay a bigger proportion of their income in taxes than any other group in our society, so this expansion in Public Service expenditures is really on the backs of the poor?

Mr. Trudeau: Mr. Speaker, the concern for the poor shown by the Leader of the Opposition is a concern shared by all of us. That is why in the last budget the Minister of Finance brought in tax reductions which were particularly helpful to the poor.

* * *

CONSUMER AFFAIRS

EXTENT TO WHICH CEMENT PRICES ARTIFICIALLY INCREASED BY REASON OF CONSPIRACY BY B.C. SUPPLIERS—STEPS TO RECOVER LOSSES SUFFERED BY PUBLIC

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce in the absence of the Minister of Consumer and Corporate Affairs. In view of the fact that seven major suppliers of cement in the province of British Columbia have pleaded guilty under the Combines Investigation Act to conspiring to cut competition in that industry over a 14-year period, and in view of the fact that those companies control some 90 per cent of the cement market, would the minister advise whether any investigation has been completed or conducted as to the extent by which cement prices were artificially increased as a result of this conspiracy?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would like to take notice of that question and refer it to my colleague, the Minister of Consumer and Corporate Affairs.

Mr. Leggatt: Mr. Speaker, I should like to direct my supplementary question to the Minister of Public Works, to whom I have given some notice. In view of the fact that over this 14-year period of conspiracy in the cement industry in British Columbia the federal government was involved in the construction of the Vancouver International Airport, the CBC building, the Van-Term cargo terminal amounting to some $22 million, and many other major federal projects, would the minister advise the House what steps the government intends to take to recover the loss the public has suffered as a result of this conspiracy?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I am glad the hon. member does acknowledge the building construction that goes on in his province by my department. However, I am not aware of any conspiracy and I do not recall having received any notice from the hon. member on that topic.

Mr. Leggatt: Mr. Speaker, in view of the last answer my further supplementary will be redirected to the Minister of Industry, Trade and Commerce. In view of this type of case where the public obviously has been overcharged in respect of major projects, and in view of the obvious failure on the part of the government to control this kind of thing, will the minister consider introducing legislation of a class action type so the public can protect itself when the government fails to do so?

Mr. Gillespie: Mr. Speaker, I think the particular abuses the hon. member has alleged or referred to are covered by the laws of this country as passed by the House.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—INQUIRY AS TO ANNOUNCEMENT OF NEW POLICY

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I wish to direct my question to the Minister of Agriculture.

Last week, in his answer to one of the questions I had a chance to ask in this House, the minister's parliamentary secretary declared that the minister would announce a new policy for the dairy industry a few days after. I would first like to know whether this policy will be made public today or tomorrow, since it was declared it would be announced soon.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, by law it has to be announced before April 1 or by that date, and it will be.

THREAT OF GRASSHOPPER INFESTATION IN SASKATCHEWAN THIS SPRING—GOVERNMENT PLANS FOR CONTROL

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Agriculture. In view of the potential threat of a severe grasshopper infestation of a large area of Saskatchewan this coming spring, and in view of the fact that if there is a large hatch it will severely reduce grain production in the area, will the minister advise what plans

he has to combat this threat and, in particular, has he met, or does he intend to meet with respresentatives of the municipalities involved, and is it the government's intention to release dieldron as a chemical to combat this threat?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, to answer the last question first, at the present time we have no intention of releasing dieldron. Our officials have had ongoing meetings with some of the concerned people in western Canada, and I hope to have some meetings with them myself. We are making as sure as we can that we have all the other chemicals we feel are proper to use in that they will have no damaging effects with regard to either animal or human consumption and no carry-over effects in the end product. We are doing everything we possibly can to make sure of this, but it is anybody's guess how many grasshoppers there will be this year.

* * *

ENERGY

SUBMISSION BY CERTAIN INDIAN BANDS FOR SHARE OF RETURNS FROM OIL EXPORT TAX

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is he aware of the submissions made to his department by oil producing Indian bands regarding the export tax, and has his department made any decision as to the return of that export tax?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, indeed we have received submissions of that kind, and we will discuss this matter with both the Department of Indian Affairs and Northern Development and the Department of Finance.

An hon. Member: How about the Indians?

* * *

● (1140)

GOVERNMENT ADMINISTRATION

EXERCISE OF RESTRAINT IN SPENDING—DEPARTMENTS TO WHICH GUIDELINES DIRECTED IN LIGHT OF TRANSFER PAYMENTS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, my question is directed to the Prime Minister and is based on his reply to the question of the Leader of the Official Opposition regarding spending guidelines. May I ask the Prime Minister if the guidelines have been directed to government departments whose budgets are not concerned with transfer payments in order to ensure that the cutdown in their budgets will accommodate those higher budgets that include transfer payments?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, not necessarily. Some departments do not have transfer payments but, for example, in the case of External Affairs which has a general budgetary responsibility

[Mr. Neil.]

for CIDA we have indicated we would not cut back on foreign aid. There are many examples where we do not necessarily effect this type of guideline. We look at each case on its own merits.

DIFFERENCE BETWEEN FORECAST EXPENDITURES AND ESTIMATES AS TABLED

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I should like to direct a supplementary question to the President of the Treasury Board. In view of the great difference between the forecast of estimates and the actual estimates that have been submitted, which I think indicate a possible increase of 50 per cent, can the minister give an explanation why the forecast was so far out of line with the actual expenditures indicated in the estimates?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am not quite sure what the hon. gentleman means by the forecasts being out of line with the estimates. The estimates are the plans based on forecasts. If the forecasts are out of line, obviously the plans would be out of line also.

Mr. Speaker: Perhaps the hon. member might be recognized for a further supplementary, following which the Chair will recognize the hon. member for Saint-Hyacinthe.

Mr. Patterson: Mr. Speaker, I might indicate that in the estimates which were tabled there is a footnote stating that the forecast is as of December 31, 1973, and then the actual estimates which were tabled are actually over 50 per cent above the forecast. I was asking why the actual expenditures or estimates are so far above the forecast that was made in December?

Mr. Drury: Mr. Speaker, I understand now. I think that if the hon. gentleman will compare the forecast presented in the main estimates and the total expenditures in the current fiscal year based on the December forecast, because that is when the estimates have to go to the printer, he will find they are substantially the same as the main estimates plus all the supplementary estimates with the exception, however, of one major item, the proposed payments in relation to compensation for the oil freeze. That was not included in any way in the December forecast.

* * *

[*Translation*]

INDUSTRY

INCREASE IN PRICE OF ASBESTOS BY JOHNS-MANVILLE—GOVERNMENT ACTION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce.

Could the minister tell this House what action he proposes to take in view of the announcement made by the Canadian Johns-Manville Co. Ltd. of Asbestos, a region well known to the Prime Minister, that it will increase its prices by 10 per cent starting April 1? This increase follows one of 8 to 16 per cent enforced on January 1 which

had on the Canadian economy consequences quite easy to figure out.

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would be very pleased to look into the situation referred to by the hon. member. I think I should make clear, however, that although none of us favours the kind of increases we have seen recently on the part of industry, industry too is faced with rising costs including rising material costs.

* * *

SOCIAL SECURITY

OLD AGE SECURITY AND CANADA PENSION PLAN PAYMENTS—POSSIBILITY OF REDUCTION OF AGE OF ELIGIBILITY TO 60

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the deep concern and the need of many Canadians between the ages of 60 and 65, and in view of the wide support in Canada for the proposition that pensions should be available at age 60, may I ask the minister whether the government is giving consideration to proposing amendments to the Old Age Security Act and the Canada Pension Plan to establish pensions at age 60 on a voluntary basis?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like to remind the hon. member that there are many people below age 60 who are also in need of support. The policy of the government is to provide income supplementation and some form of guaranteed income to all those people in need in this country without regard to age. Therefore I do not plan to introduce a piecemeal amendment of the type the hon. member is proposing.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the minister if his professed concern for all those in need includes concern for those between the ages of 60 and 65?

Mr. Lalonde: Obviously, Mr. Speaker. That is what I said. There are a lot of people in need in this country of all ages and our concern and that of the House, I would think, would be with all those people in need and not just a particular group.

* * *

ENERGY

PRICE OF HEATING OIL PURCHASED BY GOVERNMENT—RESULT OF TRANSACTION

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Supply and Services. Last Wednesday I asked the minister what price the government had paid for the middle distillate it purchased late last year. He indicated that he did not have the information at that time. Can the minister tell the House today what price was paid for that heating oil?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, it is the same situation I have outlined last week.

[*English*]

Mr. Andre: In view of information given to me that the price paid for this heating oil was in fact 52 cents a gallon compared with the retail price of 33 cents a gallon, would the minister indicate what plans his department has for selling this oil, upon which they are now paying storage costs, and disposing of it so as to limit the losses which are already in excess of $5 million?

[*Translation*]

Mr. Goyer: Mr. Speaker, I do not agree with the hon. member's premises, but we are now looking into various possibilities regarding the use of this surplus oil, due to the fact, as I have already mentioned, that our winter was quite mild.

* * *

FINANCE

RECOVERY FROM PROVINCES OF AMOUNT OWING FOR SERVICES OF ARMED FORCES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to put a question to the President of the Treasury Board.

Does he intend to ask for the millions of dollars owing by provincial governments for services rendered by the Canadian Armed Forces and which are mentioned in the Auditor General's report of February 28, 1973?

Hon. C. M. Drury (President of the Treasury Board): Yes, Mr. Speaker.

* * *

[*English*]

HOUSING

METROPOLITAN TORONTO—ACTION TO CURB SPECULATION AND GOUGING

Mr. Don Blenkarn (Mississauga): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Is the minister aware that houses in the Toronto area are now increasing in price at a rate in excess of $50 per day, seven days a week including Sundays, and is the government prepared to take any action whatsoever to curb the speculation and gouging now taking place in housing prices?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, that was outlined in a speech I made in the House two days ago in which I indicated that in the capital allocations of Central Mortgage and Housing areas such as Toronto and Vancouver, where there are either very low vacancy rates or high escalation of costs, would receive priority attention.

Mr. Blenkarn: Mr. Speaker, since I cannot get anywhere with the minister and since he does not seem to understand that there is speculation, may I ask the Prime Minister whether he is aware that a great deal of the problem is caused by lending institutions financing mortgages or loans on vacant land where the vacant land cost is more than one-third the value of the land and building together? Will the Prime Minister use his influence with the lending institutions to get them to control the speculation in land that is taking place so that the price of housing, at least to some extent, will be controlled against such speculation?

● (1150)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will be pleased to pass on the recommendation to the Minister of State for Urban Affairs.

Mr. Speaker: The hon. member for Hastings.

Mr. Blenkarn: A supplementary question—

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Hastings who has been trying to ask a question for a few days. Perhaps he should be given the opportunity. I will recognize the hon. member afterwards for a supplementary, but I would hope hon. members would limit supplementaries in order that we may satisfy as many questioners as possible this morning.

* * *

UNEMPLOYMENT INSURANCE

REASON FOR INSTALLATION OF HEAVY DUTY LOCK AT BELLEVILLE REGIONAL PAY CENTRE

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is directed to the minister responsible for the Unemployment Insurance Commission. In light of the comment by the hon. member for Verdun yesterday that information flows freely from the Unemployment Insurance Commission, will the minister tell me why he found it necessary to instal a special extra strong and heavy duty lock at the Belleville Regional Pay Centre worth over $600, and has he found it necessary to do this at all other centres?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, until I read the hon. member's speech in *Hansard* a few minutes ago I was not aware of the installation of this lock. That is a matter for the administration of the commission. I have confidence in the judgment of the commission and I would assume it was done for a very good reason. Perhaps the hon. member could give a better reason than I could, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Mississauga and will then recognize the hon. member for Vancouver Kingsway.

[Mr. Basford.]

HOUSING

METROPOLITAN TORONTO—ACTION TO CURB SPECULATION AND GOUGING

Mr. Don Blenkarn (Mississauga): Mr. Speaker, my question is again directed to the Prime Minister. I am afraid he does not understand that the Minister of State for Urban Affairs is concerned only about social housing and does not think about the ordinary guy who wants to buy a house.

Mr. Speaker: Order, please. the hon. member has been recognized in order to ask a supplementary. Perhaps he might "streak" to the point.

Some hon. Members: Hear, hear!

Mr. Blenkarn: Is the Prime Minister aware that the increase in the supply of credit by the banking system, finance companies and mortgage companies is financing speculation in private housing? It has nothing to do with the Minister of State for Urban Affairs and his responsibilities. It is the Prime Minister's responsibility to govern the credit institutions.

Mr. Speaker: Order, please. The hon. member for Vancouver Kingsway.

* * *

HEALTH

RECALL OF REGENT CHOCOLATE COMPANY PRODUCTS

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Has the Department of National Health and Welfare uncovered any recent additional quantities of chocolates produced by the Regent company of Saint-Hyacinthe that are contaminated by Salmonella? If so, is the department ordering the immediate recall of these chocolates?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, all the chocolate produced by Regent has been recalled and production has stopped.

Mrs. MacInnis (Vancouver Kingsway): For the protection of the public, will the government immediately publish the names of firms and retail outlets selling these chocolates, and the brand names under which they are being sold?

Mr. Lalonde: As I have said, we have published the brand names of those—

[*Translation*]

We published the names of the products sold by Regent Chocolates Ltd. and all its other products were also recalled. In the next issue of the bulletin *Rx*, a list of the contaminated products will be published.

[*English*]

Mrs. MacInnis (Vancouver Kingsway): Is this recall purely voluntary or is it an order by the department?

[*Translation*]

Mr. Lalonde: Mr. Speaker, the company has agreed to recall all its products. I do not know whether it did so voluntarily or whether it was ordered to do so, but it agreed to recall its products. At our request, the company agreed to do so.

* * *

[*English*]

GRAIN

SPECIAL EFFORT TO MOVE TOUGH AND DAMP GRAIN FROM COUNTRY TO TERMINAL ELEVATORS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the minister responsible for the Canadian Wheat Board. In light of the fact that a survey would indicate there is a considerable amount of tough and damp grain in country elevators, particularly in the northern parts of the three prairie provinces, has any special effort been made to move this tough and damp grain to terminal elevators, which are only half full at the present time, particularly with the prospect of the Seaway opening in a few weeks? Is there any such attempt being made at this time?

Hon. Otto E. Lang (Minister of Justice): Yes, Mr. Speaker, a very special effort has been undertaken by the Canadian Wheat Board, in co-operation with the railways and the elevator companies, to move the damp and tough grain that exists throughout much of the northern prairies to the terminals as fast as the terminal cleaning and drying facilities can handle the grain. Good progress is being made in that direction.

Mr. Korchinski: May I ask the minister, in light of the results he has had so far with the railways, whether he or the Minister of Transport intends to introduce legislation to force the railways to accommodate the farmers, particularly during the next two weeks before the Seaway opens?

Mr. Lang: Mr. Speaker, the effort that has gone on has been to make use of the available cars as fast as they can be turned around in order to move this tough and damp grain. This has meant in certain cases that places with grain in good condition have gone somewhat short of service because of the over-all shortage of cars that resulted from the operation of the system this winter.

* * *

[*Translation*]

AIR TRANSPORT

CRASH OF PLANE NEAR FROBISHER BAY—REQUEST FOR ASSURANCE AIRPORT LIGHTS AND ELECTRONIC INDICATORS WERE OPERATING

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to ask the Minister of Transport a question concerning the airplane crash which occurred last week at the Frobisher Bay Airport.

Could the minister indicate to the House whether the electronic or visual beacons in Frobisher Bay were fully operating during the critical period, that is at the time of the landing?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the House is unfortunately aware that a Sabre Liner crashed near Frobisher Bay and that, when the accident occurred, one of the electronic indicators, commonly called beacons, had apparently not been operating for 75 minutes.

Investigators are at the site of the accident. I have received various reports concerning it. Some say that this beacon was not essential and that other means available could have been used. However I prefer to reserve my judgment pending the reception of the investigators' report.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, will the minister disclose the findings of this investigation, once it has been completed.

Mr. Marchand (Langelier): With pleasure, Mr. Speaker.

* * *

[*English*]

MANPOWER

ADULT RETRAINING—ALLEGED REDUCTION IN NUMBER TO WHOM PROGRAM AVAILABLE AT FANSHAWE COLLEGE, LONDON

Mr. William C. Frank (Middlesex): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration. Because of the fact that small businesses in particular are desperate for skilled and semi-skilled labour, and in view of the fact that the general success of the adult retraining program has helped to fill this need, can the minister inform the House why Manpower has decided to reduce the recipients by 13 per cent, or an actual 61 students, attending such a program at Fanshawe College in London, or is this reduction a general Manpower policy in all community colleges across the country?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, such training is, of course, purchased with the co-operation of and through the provincial governments. There has been considerable escalation in the cost of such training which, applied to a general restraint on the budget of Manpower, does result in some reduction in the number of days of training. I am not aware of the particular technical college to which the hon. member refers, but I will certainly examine his remarks in *Hansard* and try to get him a specific answer in that case.

Mr. Frank: Do I understand the minister to be saying that the provincial governments may be cutting down their budgets? If that is the case, why is there a new school being built in Cornwall when existing facilities are already available in London?

Mr. Andras: Mr. Speaker, the selection of a particular school is sometimes based on the kind of course that school gives compared with another school. I will check into the details of both situations and will get back to the hon. member. I did not say that provincial governments

were necessarily reducing their budgets. I said that the total dollar expenditure is somewhat increased but because costs are going up the number of days of training is slightly reduced.

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TRANSPORT

PROPOSED LIGHT RAPID TRANSIT SYSTEM FOR TORONTO—AVAILABILITY OF CNR AND CPR RIGHTS OF WAY AT NOMINAL COST

Mr. John Harney (Scarborough West): Mr. Speaker, I would like to direct a question to the Minister of Transport who may appreciate the change of subject from boxcars to street cars. In view of the fact that the Metro Toronto transportation plan review recommends a light rapid transit system for eastern Metro Toronto, using rights of way of the CNR and the CPR, will the minister state whether he intends to instruct the railways to bend all efforts to make these rights of way available for light urban rapid transit at nominal cost?

● (1200)

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we will soon—the date may be set sometime next week—meet representatives of the Ontario government to study those problems, including the report I tabled in the House a few days ago. In fact, I am not aware of the formal request the hon. member is referring to.

[*English*]

PROPOSED LIGHT RAPID TRANSIT SYSTEM FOR TORONTO—POSSIBILITY OF CONSTRUCTION OF ROLLING STOCK IN CANADA

Mr. John Harney (Scarborough West): Mr. Speaker, I have a supplementary question. I should like to ask the Minister of Transport whether his department has been making plans to provide for the construction in Canada of the rolling stock which will be used in such light urban rapid transit systems, considering the fact that such stock is now only available in the United States and its purchase would involve an outlay of tens of millions of dollars in Canadian funds?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is a matter we are studying closely. No decision has yet been made.

We are attempting to set up a general policy which will include not only the city of Toronto but all major centres in Canada.

[Mr. Andras.]

COMMUNICATIONS

POLICY OF DEPARTMENT IN LIGHT OF STATEMENT BY QUEBEC MINISTER

Mr. René Matte (Champlain): Mr. Speaker, I should like to ask a question of the Minister of Communications.

In view of the recent statement by the Quebec Minister of Communications that the essence of the Confederation itself is at stake as concerns a record such as that of communications, that the basic issue concerns the conflicting powers of the provinces and the federal government, and that in order to progress we must work outside the federal concept, does the hon. minister believe that it is now time to review the policy of his department on this matter?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, the opinions of the Quebec Minister of Communications are his own and I do not share them.

I believe that they reflect an alarmist attitude which does not correspond to reality.

* * *

[*English*]

IMMIGRATION

POSSIBILITY OF RESCINDING DEPORTATION ORDER AGAINST MRS. DOROTHY HERTZBERG—GOVERNMENT POSITION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. It concerns a deportation order served on a former Canadian citizen, a native-born Newfoundlander, Mrs. Dorothy Hertzberg, while an inmate in the mental institution in St. John's, Newfoundland. Can the minister tell the House if that deportation order has been withdrawn and, if so, for what period?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this kind of case is a very unhappy situation, and I am aware of it. I do not like the responsibility it places upon us. I think that technically there was no question that she was in violation of the Immigration Act as it stands now, and that means there was no jurisdiction to change the deportation order or to withdraw it. Having said that, however, and as I have said publicly, I intend to do everything in my power to try to alleviate, in some fashion but within the law, the distress that this causes.

Mr. Carter: Would the minister give the House the assurance that this lady will not be deported while a patient at the mental institution in which she is now confined?

Mr. Andras: Mr. Speaker, I cannot meet my responsibility and give a guarantee that the deportation order will not be carried out because the law requires me to see that it is carried out. We are, however, in contact and liaison with the medical advisers and we certainly do not intend to precipitate anything that would cause greater difficulties, but it is my responsibility to carry out the deportation order.

VALIDITY OF DEPORTATION ORDER AGAINST MRS. DOROTHY HERTZBERG IN VIEW OF MENTAL CONDITION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I wonder how the minister expects the deportation order to be effective if the woman upon whom it is served is incapacitated mentally?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am fully aware of the difficulties there, and we are judging them in taking advice and in consultation with the medical authorities.

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HARBOURS

VANCOUVER—DECISION OF HARBOURS BOARD TO RECLASSIFY CERTAIN CORPORATIONS CAUSING LOSS OF TAXATION TO MUNICIPALITY—POSITION OF MINISTER

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Transport. In view of the fact the National Harbours Board has been trying to reclassify certain corporations at Centennial, Ballantyne and Lapointe piers, so that the city of Vancouver will lose about half a million dollars annually in municipal taxation, can the minister advise the House whether this somewhat shifty manoeuvre was done with the knowledge and support of his department? The minister has notice of my question.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I thank the hon. member for the notice. Under the law the National Harbours Board can pay grants in lieu of taxes. When there is disagreement between the city and the National Harbours Board, as in this case, there is a right of appeal to the provincial assessment board. This is the place to go in order to have the decision changed.

Mr. Fraser: Can the minister assure the House that he is personally looking into this matter which is of considerable concern to the city of Vancouver? The situation has arisen as a direct result of a member of the National Harbours Board entering into so-called contracts of service to get around corporations being classed as occupiers.

Mr. Marchand (Langelier): Mr. Speaker, even this morning my parliamentary secretary, the well-known hon. member for St. Boniface, met with the mayor of Vancouver and members of the National Harbours Board.

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AIRPORTS

TORONTO—REQUEST FOR SETTLEMENT OF CONFLICT BETWEEN LIMOUSINE SERVICE AND PRIVATE TAXIS—POSSIBLE REFERENCE TO STANDING COMMITTEE

Mr. John Gilbert (Broadview): Mr. Speaker, my question is for the Minister of Transport. Has the minister received a report or is he aware of the growing transportation difficulties experienced by airline passengers at Toronto International Airport because of the conflict between the limousine service and private taxi services? If so, what recommendation is he going to make to correct this serious situation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, unfortunately I am aware of this very difficult case. Our people are there meeting with the provincial people and trying to solve the problem.

Mr. Gilbert: Would the minister refer this matter to the Standing Committee on Transport and Communications so that they may study it in depth and make recommendations to the minister?

Mr. Marchand (Langelier): If in a short time nobody succeeds, maybe that will be the solution.

* * *

SOCIAL SECURITY

ALLEGED DISCRIMINATION AGAINST VETERANS BY NOT COUNTING OVERSEAS SERVICE IN ESTABLISHING ELIGIBILITY FOR OLD AGE PENSION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of National Health and Welfare. May I ask why there was no mention in the throne speech of legislation to end the discrimination against veterans who cannot count their overseas service as time in Canada when applying for the old age pension?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I believe that this session will show that many bills which were not specifically mentioned in the Speech from the Throne will benefit all Canadians. I hope that one of them will cover the case mentioned by the hon. member.

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[*English*]

PUBLIC SERVICE

POSSIBLE ELIMINATION OF ISOLATED POST ALLOWANCE FOR EMPLOYEES IN WHITEHORSE—GOVERNMENT POSITION

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is for the President of the Treasury Board. In view of the uncertainty among many hundreds of civil servants in Whitehorse concerning the rumoured cutting off of the isolated post allowance, can the minister assure those government employees now that no such consideration is being given by the Treasury Board and that isolated post allowances in that city will not be denied to such employees?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, fortunately I know something about this because I have just been getting a briefing from the minister responsible, but we have not yet reached the conclusion of our discussion.

Oral Questions

REQUEST FOR ELIMINATION OF REGIONAL PAY DIFFERENTIAL—GOVERNMENT POSITION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is also for the President of the Treasury Board. Bearing in mind that in certain regions of Canada public servants are being paid approximately 20 per cent less than in other regions, in the interests of national unity I wonder if the minister would indicate whether the government or his department plans to modify or eliminate the regional pay concept?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think it has been adequately demonstrated that the notion of regional pay is productive of rather more satisfaction than attempts to distort the reward relationship between employer and employee in any given area.

REQUEST FOR ELIMINATION OF REGIONAL PAY DIFFERENTIAL—POSITION OF DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, in view of the fact the minister is not aware of the facts surrounding the regional pay rate problem, perhaps I could put this question to the Minister of Regional Economic Expansion. In view of the fact that the original reason for the regional pay rate concept was to keep wages in line with prevailing rates in industry and that in most cases prevailing rates now exceed regional pay rates in a number of areas which I could specify if time permitted, would the minister indicate whether his department has accepted the position that the regional pay rate concept is discriminatory, antiquated and should be eliminated, and is he pressing this position on the government?

● (1210)

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, without casting reflection on your office, I find it difficult to reply to that sort of question without being argumentative. I will say, however, with regard to that area which is my own responsibility, that if the hon. member will read *Hansard* of yesterday he will see that I recognize that in the Atlantic provinces in particular there is a necessity to do everything we can to increase wages in the private sector. In fact, future job incentives will be based on 30 per cent of the total payroll in an industry in the second and third years of its operations.

* * *

ENERGY

PRICE OF HOME HEATING OIL IN OTTAWA-HULL AREA—REQUEST FOR REPORT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. Can the minister give the House any report on the apparent price gouging with regard to home heating oil in the Ottawa-Hull area?

[Mr. Drury.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as a result of the hon. member's questions I have been in touch with the industry in this regard and put forward the view that the price seems to have been excessive in light of the fact that some of the feedstock was based on western oil. I now have a detailed report which I will be glad to furnish to the hon. member, indicating how the additional oil was made up and how that affects cost.

EFFECT OF CLOSING OF TORONTO-OTTAWA PIPELINE—POSSIBILITY OF REPRESENTATIONS TO KEEP PIPELINE OPEN

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I direct a supplementary question to the minister arising from the question asked by the hon. member for Ottawa-Vanier. Can the minister tell us why the pipeline between Ottawa and Toronto is to be closed this weekend, what effect this will have on oil prices, if any, whether fuel oil pumped through that pipeline has had a beneficial effect on oil prices and whether the minister is prepared to make representations or issue an order to keep that pipeline open?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the pipeline was used for the purpose of supplying home heating oil to the Ottawa area. We are approaching the end of the home heating season and stocks on hand are more than adequate to meet requirements. That is why the pipeline is being closed down. As I indicated, as a result of the detailed questioning of the hon. member for Ottawa-Vanier I will be furnishing him with a full report on the matter, and if the hon. member for Grenville-Carleton is interested I will be glad to furnish it to him as well.

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TRADE

REASON PRIME MINISTER DID NOT MEET HEADS OF COUNTRIES OF EUROPEAN ECONOMIC COMMUNITY DURING RECENT TRIP

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Prime Minister. In view of the vital importance of Canada's trade with the European Community and the stated policy of the government to promote trade with the community, will the Prime Minister say why he did not take at least a little extra time when he was in Europe in January to meet with the heads of some of our principal trading partners in view of the fact he has not done so in Europe for some four years now?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the intent of this question is at least hypothetical. The reason why is that negotiations are going on. The Department of External Affairs, through its various representatives abroad, and other departments like the Department of Industry, Trade and Commerce, through their representatives and their travels abroad, have been pursuing an assiduous path of cultivating this relationship. There is a time when it will be opportune for me to go and bring to a conclusion certain negotiations. At that time I

will be pleased to seek the support of the House for one of my prolonged trips.

Mr. Speaker: Order, please. We have reached the end of the question period. I will recognize the hon. member for Calgary South and the hon. member for Greenwood, and then call orders of the day.

Mr. Bawden: On May 10 last year I asked the Prime Minister about his intentions with regard to going to Europe. He said he was pleased that I had suggested that he should do a bit of travelling. He went on to say that he intended to prepare travel plans for the coming year. Will the Prime Minister say whether he will be going to Europe later this year or whether he is going to wait for the ski season to open again in the Swiss Alps?

Some hon. Members: Oh, oh!

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IMMIGRATION

REQUEST FOR COPIES OF REGULATION RELATING TO INDEPENDENT AND NOMINATED APPLICANTS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I direct my question to the Minister of Manpower and Immigration. He announced a little more than one week ago a new regulation dealing with the admission to Canada of immigrants, independent applicants and, I think, nominated applicants. I have been trying during the week to get a copy of the actual regulation. Will the minister make it available to groups who are interested in this subject so they can see the actual text of the law which affects them?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes, Mr. Speaker, most certainly. I will do so as quickly as possible.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Tom Bell (Saint John-Lancaster): On a point of order, Mr. Speaker, may I ask the government House leader whether he has been able to dig up any business for next week? May I also ask if we could have the permission of the House to allow the Minister of Transport to put on record his answer with regard to the case of the missing coins. He has been trying to get the story all week. Would he say, in particular, why this matter was concealed from the government for so long?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know now that the hon. member was quite right and that the railway lost a certain amount of money in the form of nickels. How much I do not know. They want to keep the amount secret because they say they are not sure. These coins were spread over a distance of about 80 miles—

Mr. Speaker: Order, please. The hon. member rose on a point of order. I believe the first part of the question was in order as a point of order. Perhaps the other matter might be pursued later. I am not sure whether there will be a reply to the hon. member's point of order.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to advise the House that Tuesday and Friday of next week will be opposition days in order to complete the number of days which are required by March 26. On Wednesday and Thursday we will be dealing with government legislation. There are three items on the order paper. I hope to give notice of several others today, so it may be that on Monday we can discuss which bills the House would like to deal with. There will be an ample number available for consideration.

Mr. Bell: Mr. Speaker, is the government House leader aware that we will give very quick despatch to any matters having to do with inflation and the problems thereof?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the government House leader whether the bills, of which he will give notice later today, will include the proposed amendments to the Canada Pension Plan and the War Veterans Allowance Act so that we can get on with those fairly soon?

Mr. MacEachen: Mr. Speaker, the notice to be given later today will not include the items my hon. friend has mentioned.

Mr. Knowles (Winnipeg North Centre): Pretty slow.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order concerning an answer given to me on March 6 by the Minister of Regional Economic Expansion. This is a matter of great urgency because it concerns the health of an individual, as supported by correspondence from a director of the Cape Breton Development Corporation. I think it is only proper that an answer should be forthcoming because the physical condition of this man, according to the report of the board of directors of the Cape Breton Development Corporation, is such that urgent action is required on the part of the minister. I would refer the minister to my question and emphasize the urgency.

Mr. Speaker: Orders of the day.

SPEECH FROM THE THRONE

[*English*]

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Thursday, March 7, consideration of the motion of Mr. Stollery for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

The Address—Mr. J. H. Horner

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in participating in the throne speech debate we should, I suppose, pay particular attention to some of the things in that speech. Of course, it deals with the fact that a minority government is in power in Canada. Minority governments may not be bad. The speech tells us how successful the minority government hopes to be in the coming session.

Minority governments have become the rule rather than the exception in the western world, as is evident from the results of the recent election in Britain. As I said, such governments are not necessarily bad. Some of them might be quite good. In the speech, the government mentions the alienation of western Canada and how it hopes to alleviate or eliminate that alienation. After listening to this morning's news, I realize that the Prime Minister (Mr. Trudeau) does not intend to alleviate or eliminate the alienation of western Canada. He hopes to use it to his own advantage, since there is a possibility of an election later this year. He wants to use that fact to obtain a majority, so that he need not be so nervous in this House.

● (1220)

The Speech from the Throne makes reference to the age old chestnut of freight rates, and how the government intends to eliminate discriminatory freight rates in western Canada. Because Canada is divided into regions this problem has been with us for 100 years. There is much talk about the Crowsnest Pass rates. I will deal with them at length in a few minutes. However, with regard to eliminating discriminatory freight rates, if western Canada did become a separate country there would no longer be any discriminatory freight rates. The freight would either move at comparable rates or not at all. The railroads would be serving western Canada and not eastern interests as they are today.

The Speech from the Throne touches on many agricultural subjects. It is interesting to note they are geared toward increasing supply. In the speech of the Minister of Agriculture (Mr. Whelan), which is recorded at page 112 of *Hansard* for March 4, three things are specified. The minister said, and I quote:

The government's food policy has been set, first, to make sure that Canadians continue to have an adequate and dependable supply of wholesome food and, second, to ensure that food continues to be available at prices that are reasonable for the consumer and adequate for the farmer.

The second is nearly the same as the first.

The third objective of the government's food policy is to develop a continuing Canadian supply and increasing production—

All of a sudden the government is obsessed with continuing supply. A few years ago they wanted to limit supply, and there was much talk about supply management. The government is still playing around with that idea. The concept of supply management of the Minister of Justice (Mr. Lang) in charge of the Canadian Wheat Board was illustrated by Operation Lift, a colossal failure which cost western Canada millions and millions of dollars and cost the Liberal party millions and millions of votes. It should cost the minister his seat.

The third interesting point is the much talked about movement of grain. What is the boxcar situation? It is true that cars capable of carrying grain have decreased from

[Mr. Speaker.]

88,000 to 44,000. How many boxcars will be needed to move the 16 million bushels of wheat which the minister said must be moved before the end of July in order to meet our commitment? If the turn around time on a boxcar is three weeks, we would require something in the neighbourhood of 24,000 cars. It is not right to say there is an absolute shortage of cars, but it is right to say that the cars are not moving. There have been many pictures showing boxcars sitting idle on sidings. The railroads have not put their heart into the movement of those cars. Let us analyse why they have not done this.

There is a great lobby taking place on the prairies. The minister in charge of the wheat board has travelled across Canada attempting to convince farmers and farm organizations that the root of the trouble is the Crowsnest Pass rates, how terribly low they are and how they have to be changed. The minister from western Canada is deliberately trying to destroy those rates. He is encouraging the railroads to destroy them. How can they do that? By not moving the grain. No wonder the minister is not getting the co-operation of the railroads. He is encouraging them. He is in bed with them.

A former Minister of Agriculture, a nice fellow from Renfrew, Ontario, was politically astute. He knew the one thing he had to do as Minister of Agriculture. He attacked the railroads. He attacked the CPR. You do not hear the present ministers attacking the railroads. They want to wreck the Crowsnest Pass rates. Many farmers agree that possibly they should be changed.

What do the Crowsnest Pass rates really mean to western Canada? To move 100 pounds of grain from Regina to the Lakehead costs 20 cents under the Crowsnest Pass rates. To ship 100 pounds of grain from a point in the United States directly south of Regina to the Lakehead would cost in the neighbourhood of 72 cents. It would cost two and a half times more, quite a difference. With regard to grain moving from Regina to Vancouver, it would cost 26 cents a 100 under the Crowsnest Pass rates. From a point directly south of Regina to Vancouver, it would cost 96 cents, two and a half times more. With wheat selling at $5.85 a bushel, many farmers say they can afford to pay the extra rates, but it is necessary to move the grain. I am not certain the price of wheat will remain at $5.85 a bushel. However, I am absolutely certain that if the Crowsnest Pass rates are wrecked, the cost of moving grain will be two and a half times greater and that cost will never come down. The farmers must realize this.

The minister in charge of the Canadian Wheat Board is supposed to work for the farmers, not the railroads. He is supposed to make the railroads work for the farmers. However, the minister is in bed with the railroads. He certainly is not concerned about Saskatchewan farmers or, in fact, farmers generally on the prairies. The minister's announcement that wheat used for human consumption within Canada would be frozen at $3.25 illustrates that fact. He stated the government would pay an extra $1 a bushel. The farmers of western Canada must pay an extra 85 cents a bushel on top of that. We hear a lot of talk about the increased price of bread. Canada has become a nation of consumers of bread, so bread is the last thing that should be subsidized. If housewives find bread too expensive, they can always go back to baking their own. That is

more economical than buying it in a store, whether it is sliced, wrapped or otherwise.

We should concern ourselves with protein production. We have built up a tremendous feeding industry in the poultry, hog and cattle business. The minister in charge of the wheat board has deliberately raised the price of feed grain, whether it is to the Quebec farmer feeding hogs, the maritime farmer feeding poultry or the western farmer feeding cattle. By deliberately raising the price of feed grains, he has placed the livestock industry in jeopardy. If the government wants to do something meaningful, it should subsidize the cost of feed grains within Canada for the livestock industry. The livestock industry includes the feeding of hogs, poultry and cattle. As I said, Canadians are consumers of protein. They are not huge consumers of starchy foods. The policy in which the minister is engaged is wrong. It should be changed. There is no mention of such a change in the Speech from the Throne.

Recently, there has been a great deal of concern over the huge number of cattle coming into Canada from the United States. The Prime Minister and the Minister of Agriculture both made snide remarks this week about this subject. They said "We wanted to put cattle into the marketing bill, but you people over there did not let us." If Bill C-176 had included cattle, that would not have stopped American cattle coming into this country. It would not have helped the present situation one bit. They may be fooling themselves and a few of their Liberal friends across the country with that idle remark, but they are not facing the truth. One becomes used to them not facing the truth in this area.

● (1230)

I read the speech of the hon. member from the New Democratic Party. He talked about the huge profits various companies across Canada have made in the past year. I am not afraid of the word "profit". I like to make a profit—it is the only way I can feed my family and buy them the things they want. But I do not think it is fair to talk in terms of the percentage increase in profits, because if I make a dollar today and two dollars tomorrow my increase will be 100 per cent. And that is what they have ignored when talking in terms of percentage increases. Then again, they have failed to take into consideration the growth in demand for a given product.

The agriculture industry faced a very troublesome year in 1973. This was a year which had all the potential to be one of the great years but it really did not fulfill this expectation; it ended up in chaos. Government spokesman said it was not their fault—that it was the fault of President Nixon in the United States. The minister said the price of wheat might go up, that farmers might expect to get more for it. This has turned out not to be the case; the price of grain is going down. I notice the hon. gentleman smiling. He attempts to blame the railway strike, or the U.S. government—

Mr. Diefenbaker: Or snow.

Mr. Horner (Crowfoot): Or snow. It is always something like that. But the railway strike should never have occurred. The men should have been given the increase they wanted. There was no real reason for that strike. They wanted to prove, I suppose, that they could be tough with the workers. Well, it did not work out for Heath and it did not work out for the government. At all events, there was a prospect of a great year for agriculture, but it turned out not to be so because of government intervention at one time and the failure of government to intervene at another when it should. I think the farmers have learned a lesson not to rely on governments but to rely on their own initiative if governments will allow them to do so.

Another subject I want to talk about is energy. There is a great deal of talk across Canada about it. The speech from the throne presented to the Alberta legislature did not really deal with the question of how expensive energy should be. In its own report, this government said the cost of all forms of energy should be the equivalent of the cost of electricity, and eventually that will be the level. All Canadians should be warned that they cannot continue to expect oil to come from Alberta, or any other part of the country, if a price is fixed which bears no relationship to the world price. Looking at our conventional oil reserves, we find there is only ten or twelve years supply left. Thus, the future really depends on a supply from the tar sands.

Production from the tar sands means a labour intensive industry—it really amounts to mining the sands, and much labour is necessary before oil is produced from them. The cost of labour and materials goes up every year. Inflation has a tremendous effect upon an operation of this kind and the price of oil is, therefore, bound to move up whether we like it or not if these tar sands are to be developed. It is easy to ask where the tar sands have been all this time. The tar sands were first discovered in 1775 and the first survey was carried out in 1875. We are only now talking about developing them, 200 years after their discovery. Naturally, we wish to encourage the development of the tar sands but if we are limited by the short term concept that eastern Canada, or the whole of Canada, for that matter, must be supplied with oil at a price far cheaper than the world price, our efforts to do so will be brought to nothing. Canadians should be well aware that the price will have to fluctuate with the world price if the essential reserves in northern Alberta are to be developed.

The other subject on which I should like to speak briefly is the subject of inflation. Much was made of it in the Speech from the Throne. I myself do not believe in the widely held concept that there is any solution in wage and price controls. They might have worked at one time, when the United States was imposing wage and price controls, but with the United States economy moving toward a greater volume of supply, and in the absence of controls there, I do not believe controls are any answer in Canada. But how is it possible to eliminate the western feeling of alienation when the only controls this government imposes are controls on wheat, controls on feed grain and controls on oil? It seems odd that all the controls the government is interested in imposing should be controls on products coming from western Canada. It may be a case of selective controls, as the Prime Minister suggested the other day. They are selective, all right. They are hurting western Canada, and westerners are very much aware of that fact. The Speech from the Throne makes no mention of any move to eliminate those controls.

Inflation began, I think, when we allowed our dollar to go down in value in relation to world currency. Canada and the United States have devalued their dollar by about 40 per cent since 1971. The result has been inflation, world inflation, and the government from time to time attempts to hide under that umbrella. That is not the only reason we face inflation in Canada. Another reason is wholesale spending on the part of the government. This year's estimates, supplementaries included, indicate an increase in spending amounting to 29 per cent as compared with last year. The increase in the staff of the civil service alone amounted to 25 per cent. These wasteful expenditures only spur inflation to greater heights.

Another factor is the government's failure to control the growth of the money supply. In the past, Canada's money supply increased at the rate of about 8 per cent a year. For the past five years or so it has been increasing at the rate of 19 per cent or 20 per cent, so it is no wonder we face inflation today, given sloppy management of this kind. I suppose if we were all law abiding citizens the country would be able to operate on the basis of very little government. But then, of course, we are not perfect. The fact remains that whatever government is in power it should endeavour to manage the affairs of the country more or less efficiently, and the government presently in power has failed to do so.

The Prime Minister suggested that if the income tax amendments had gone through in the right way, all the ills which confront us would have been cured. I remind hon. members that when the white paper on taxation was introduced, the then minister of finance told us it reflected almost in full the recommendations of the Carter Commission—that a buck is a buck. That was his concept. The Carter Commission provided no real answers, in my opinion, to Canadian economic problems.

● (1240)

I disagree strongly with the concept that a buck is a buck. From time to time we see high rates of unemployment in Canada, yet I repeatedly hear that in all parts of Canada we cannot get people to go to work. Surely, some of the brilliant professors we have in our society should examine this phenomenon. Why cannot we get someone to go to work when we have high unemployment? Farm labour is short, the fisheries are short of labour, yet we cannot get anyone to go to work in those industries.

Why is this, Mr. Speaker? It is because people are not given the right incentives by society. I have listened to many TV personalities saying that no one wants to do menial tasks any more. Even the Prime Minister told our young people that they did not have to work. Dairy farms are going out of business because no one wants to milk cows. Four dairy farms a day are going out of business in the province of Ontario and about four dairy farms a week are going out of business in the province of Alberta, some of them major concerns.

I suggest that tax incentives should be offered to encourage people to do menial tasks. The present system really discourages people from doing any real work in our society today. There is a great tendency among people to go after what are called the white collar jobs, the easy or soft jobs in society, leaving much of the productive work undone. This, too, gives impetus to the kind of inflationary psychology that is abounding in Canada today. We must change our whole tax structure, but not in the manner Carter suggested it should be changed or in the manner the Prime Minister suggested it should be changed. We must change it to give incentives to get people to work, and this will slow or curtail the rate of inflation. We must have more efficient government and less wasteful spending.

[Mr. Horner (Crowfoot).]

In addition the railroads must move our produce to market. The Crowsnest pass rates were set about 50 years ago, but does that necessarily mean they are inappropriate today? If the railways want to move grain efficiently, they can. It is interesting to note that in the years when the railways moved large amounts of grain, their profits were highest. For example, take the years 1971 and 1972, or even go back to 1966 when the railways hauled 800 million bushels of grain and the profits of both CNR and CPR were at a record level. So just because these rates were set a long time ago does not necessarily mean they are too low today.

The railroads are attempting to force a break in what is often referred to in this House as the Magna Carta of western Canada, and it is really shameful that the hon. member in charge of the Canadian Wheat Board and who represents a western constituency is really assisting the railroads to break this long held Magna Carta of western Canada. He is not worried about movement of grain because he fully believes that the price of grain will rise even higher two or three months from now, and that if grain is kept on the farms it will be worth more. Therefore, he does not really worry whether we meet our commitments or not. He is attempting to accommodate the railroads, I suppose hoping that this will further his political career and his climb to the top in the Liberal party. I guess that is his objective; he must have some motive since it is very difficult for a westerner to understand his actions. Why would he work in this way unless he has some ulterior motive such as this?

I am not going to take up any more time in this debate, Mr. Speaker. I urge the minister to divorce himself from the railroads and to get back to serving the people who sent him here as well as the grain farmers of Saskatchewan. I ask him to work towards seeing that they move their products to market. If we lose our present sales we might never recapture them in years to come and somebody else will take them. We must remain a major supplier of grain throughout the world, and we must retain our dependability for supplying grain to the world.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, in rising to take part in the debate on the Speech from the Throne I should like to say a word, first of all, of congratulation and welcome to the new holder of the office of Governor General of Canada. I think we have been singularly fortunate in the quality of the people who have occupied this office, and I certainly see in the present incumbent the maintenance of this very fine tradition of service to this country.

I should like also to congratulate the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier) on their moving and seconding of the Address in Reply to the Speech from the Throne. Their

contributions were noteworthy indeed and have begun this session of parliament in an auspicious way.

I am particularly pleased to participate in this debate, Mr. Speaker, because of the nature of the document to which we are giving consideration. The throne speech is a positive and constructive document and holds substantial promise for all Canadians. It is a document which I believe will prove to be truly historic to western Canadians—historic in the fundamental way that it commits this nation to the spirit of the Western Economic Opportunities Conference and to the task of pressing toward the full achievement of the crucial objectives identified and espoused in Calgary last July.

The western conference, which was conceived of and called by this government, and in particular by the Prime Minister (Mr. Trudeau), provided an essential national forum for the expression of basic western concerns. The government of Canada and the entire nation were watching and listening, and hearing a good many things about the vast western portion of this country which perhaps were never fully understood before. The grievances, the inequities, the discontent, the so-called alienation, are real. In western Canada the problems have been growing steadily for some considerable length of time. This goes back through a succession of governments involving different political stripes.

Let me take the House back to just over a year ago now. The throne speech of January, 1973 which opened the first session of this parliament represented a key breakthrough for westerners in the quest to re-establish for themselves a new role within confederation. That throne speech gave fundamental recognition to the problems lying at the root of their discontent—formal and concrete recognition for the first time in the history of this nation. That throne speech, too, committed Canada to doing something about those problems, and the first step was to be a conference on western economic opportunities.

The Prime Minister invited the western premiers to come together to discuss with him and with other representatives of the government of Canada the basic things that had to be done to build for the west a proper place in Canada's great nationhood. In preparation for that historic meeting the resources of this land were brought by this government to focus powerfully upon all aspects of the problem. Literally thousands of man hours were devoted to the job; nearly every department and agency at the national level has been involved.

Why was this, Mr. Speaker? Because this government, the Trudeau government, was determined, and remains determined, to get at the roots of that thing we call western alienation, to tackle the real causes and to eliminate them. As the Prime Minister has so aptly described this federal initiative, no other single project, outside of wartime, so fully occupied the time, the talents and the resources of the government of Canada. The throne speech confirms our dedication and our continuing work.

● (1250)

The Calgary conference touched upon a broad spectrum of issues: The need for regionally sensitive financial institutions; the need for a more decentralized approach for the government itself; the need for a broadly based, stable and productive agricultural sector; the need to diversify economic activities in the west and to build new industrial strength upon the west's great resource and energy base, and the need to develop a fair and impartial system of transportation free from inequities and discrimination. In all these areas we have come a long way since last July, and the Speech from the Throne at this time discloses further initiatives.

We are in the course of evolving and implementing a new national policy. The task is not a simple one. The answers to a hundred or so years of western dissatisfaction are not found easily and painlessly. If they were, perhaps even some Conservative administrations of days gone by might have found and applied them. Tories always seem to have the sure, quick, simple ready-made remedy, at least while they are not in government and not at all responsible for trying to do the job.

It is rather interesting, I believe, to look back to July 1973 and to examine just how far we have come in the last seven and a half months with these western economic questions and initiatives. As a westerner it is exciting for me to see the progress that has in fact been made, in concrete and specific fact, and to look ahead to the greater goals highlighted in the Speech from the Throne.

In Calgary we talked of decentralization, and we see a move toward decentralization of governmental operations highlighted in the proposed centering in Saskatchewan of the western regional headquarters of the Department of Regional Economic Expansion, a move that will reverse the proportion of persons in that department serving in Ottawa and in the rest of the country with approximately 70 per cent of that department spread out in different parts of the country. This decentralization is not just a paper thing, not just a matter of persons being located out in the regions, but a move which places real decision making responsibility up to the level of an assistant deputy minister who is to be located there.

I might also mention the additional location of the Department of Industry, Trade and Commerce operations throughout the country and other moves that have taken that direction. We see a move toward a federal business development bank which is to be more sensitive to the various interests of the regions of this country, to be located more effectively in them. We see also moves on the part of the Department of Supply and Services, a continuing exercise in an attempt to spread purchasing in this country throughout the different parts, as well as a move toward allowing for participation of the provinces in the banks throughout this country to promote decentralization of our banking institutions. We see, too, the pledge for further processing of resources being carried a step further with the introduction of the export-import act, which will allow for the control of movement out of this country of our resources in an unprocessed state, if that is required, to encourage further processing here. That must be of particular interest to a resource-rich area such as western Canada.

In the area of transportation policy, the throne speech pledges an end to the discrimination in freight rates which has aggravated westerners for so long. Work is well underway toward that end. A federal-provincial committee of officials has been hard at work since last July, and there

have been a series of meetings regularly at the ministerial level, led by my colleague, the Minister of Transport (Mr. Marchand). Something in the order of 160 references of specific rate problems or discriminations have been made to the Canadian Transportation Commission for review. I have indicated that, as the Minister of Justice, I will be prepared to intervene on behalf of the government in rate cases where that is necessary in order to assist individuals in obtaining justice in respect of claims they may have. There will be further cost disclosures, so much desired by provincial governments. The federal government has decided to move toward more adequate disclosures of the facts and background so that the true case of freight rates can be known.

We have made a good beginning in this work, but the work must be pressed on. It is our purpose to press ahead with steps in many directions in respect of transportation and, indeed in the handling of our grain. The hon. member for Crowfoot (Mr. Horner) talked about our problems in handling grain. Of course, he neglected to note the fact that with the steps we have taken in the past years regarding the block system, coordinators at the terminals, with additional hopper cars and an attempt to turn around trains as rapidly as possible, with the existing system we have in three successive years set three successive records in the volume of grain moved. For three years in a row we have moved more grain out of the prairie region into export and domestic markets than was available from production in any of those particular years. In each of those three years our disposition of grain exceeded the actual production of grain, and this was done with the transportation system we now have.

In this year, with all the difficulties again which have beset us, we likely once again will move and dispose of more grain from the prairie region than was grown in the last year of production. That is what is happening with the transportation system we have. But we are not satisfied and we will be taking additional steps to go on beyond that. We will not be taking them in a way which attempts to seek only political advantage from a particular situation in a particular location, trying to run in all directions at once as the hon. member for Crowfoot always does so marvellously.

In connection with the subject of agriculture, the throne speech bears the clear imprint of the Western Economic Opportunities Conference. My colleague, the Minister of Agriculture (Mr. Whelan), dealt thoroughly with this area in his remarks to the House earlier this week. The activities planned by this government in connection with agriculture comprises a list that is impressive and extremely important, and shows our determination to improve the lot of the farmer, the great producer in this country, and to improve also the situation of the consumer by giving him security of supply. This can only come about in the long run if there is a fair and decent return for our farmers who will produce the food for the consumer. May I call it one o'clock.

At one o'clock the House took recess.

[Mr. Lang.]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Lang: Mr. Speaker, just before the adjournment I had indicated that my colleague the Minister of Agriculture had reviewed a good number of measures which are proposed in the Speech from the Throne to deal with particular problems of agriculture and food production in Canada. I do not want to go into the details of this list or of these actions again. However, I do want to refer to one of them in particular. I should like to deal with the general approach of the government and with its intentions in regard to stabilization in the area of agricultural production.

● (1410)

We have proposals to put before the House in connection with stabilization of animal production as it relates to the production of meat. We intend also to bring back before the House the proposal in regard to stabilizing income for grain farmers to offset the vagaries which can occur because of the ups and downs that are almost inevitable in an export oriented grain market. Hon. members will, of course, appreciate that this is an old friend, one which could have been in place now, to provide protection for farmers in the grain producing region of the country, to protect producers against downturns in income, but it was blocked by a variety of tactics adopted by the opposition in a previous parliament. Now, we propose to come back and give the opposition parties a chance to repent, and to see this important form of protection for farmers put in place.

In the days when it was first introduced, members of the opposition tended to cry that it was stabilization of poverty, although as a matter of fact it was intended as a level of protection related to the returns to farmers over a period of time. This measure was designed to put cash in their hands if income took a significant down turn because of prices or, more likely, because of changes in volume of crops in the rest of the world were especially good when compared with the average year, or especially when compared with a bad year. The current level of grain income in 1973 and 1974 flowing into the prairie region shows how silly was the cry respecting stabilization of poverty at that time, and makes it perfectly clear to everyone why a program such as we propose would be a significant element in the days ahead.

We propose, in coming back to the plan, to introduce a voluntary feature, so that if any farmer finds he does not want to be a part of the program he will have an opportunity to opt out of it, although I certainly hope that all hon. members in all parties will bring the advantages of such a program to the attention of individual farmers so that this option is not widely used by those who, in the long run, would find it hurt them to get out of the plan. We have been working on the program as it was designed to be passed into law in 1971, and there will be some specific detailed alterations in it as a result of that work.

The work on stabilization, Mr. Speaker, the work on grain generally, from the purchase of hopper cars with money spent on behalf of the people of Canada, the move toward two-price wheat, work on the LIFT program, and

work on extending credit for the Canadian Wheat Board—all of these items in the grain area are a monument marking the constant determination of the government to take steps, as those steps are required, to improve the position of western Canada, and in particular of the grain industry. Those steps, and other things done since the Western Opportunities Conference, show that the government is fully committed to the improvement of conditions for western Canada, and to a new national policy which will meet the aspirations of western Canada.

There are those in politics in Canada who would like to suggest that in some fashion the government is prepared to write off the west from a political point of view. To them, and to all hon. members of the House I wish to say that nothing could be farther from the truth. It is the intention of the government to pursue its long and historic role of attempting to find the policies and programs which are satisfactory and fair to all sections of the country. It is true that the job we face in regaining support for our party in the prairie region may be a long and hard one, and it is going to be a longer and a harder one because of the simple fire power that is possessed by other parties. I stress that that fire power is sometimes pretty simple. It takes false situations and distortions, and spreads them about, stirring up discontent, which it then seizes on in order to make ground in a political manner.

It feeds on the kinds of things we heard from the hon. member for Crowfoot just before he sat down earlier today, when he asked wasn't it just like this government that we have controls on wheat, feed grain and oil. But what are the facts, Mr. Speaker? The hon. member mentioned feed grains, and I asked what did he mean by speaking of controls on feed grains? I know of none that are holding down the price of feed grains in terms of returns to farmers in the prairie region. But, of course, this will not stop the hon. member for Crowfoot, and other hon. members opposite, because the simple truth of the matter is that we can never expect them to hold off if they feel that they can stir discontent in the prairie region in an attempt to gain political advantage.

In the case of oil, we have had discussions concerning what a fair price for oil ought to be when a free market no longer exists throughout the world. I suggest to hon. members opposite, particularly to those from the west, that there is no sound reason why we in Canada have to accept a cartel price imposed from abroad, and definitely not any more than we would want to accept a cartel price imposed from inside our country. But that is quite a different question from wage and price controls. Incidentally, I was interested to note that the hon. member for Crowfoot disagrees with his party leadership in recognizing the futility of controls, and he said so directly.

Where are the controls on the price of wheat, Mr. Speaker? In fact what we have is a stabilized price, with a stipulated floor price and a maximum of $5 in terms of returns to the producers. It is quite wrong to categorize a floor-ceiling arrangement as if it were only a stipulated ceiling price. It is as a result of the $5 price that the consumer in Canada is benefiting by some 70 cents or 80 cents with respect to the grain he purchases, just as the producers benefited when, during a long period of time, we held the price of wheat in Canada above the world wheat price when that price fell below the levels set out in the International Grains Agreement. In the same way the consumer, in times ahead, may pay more in terms of bread if the international price falls below the present floor. But, Mr. Speaker, that is not a control. That is not a matter to which the hon. member can point as though it were in some way contrary to the interests of western Canada. This is an example of the kind of difficulty that will exist when we are attempting to demonstrate to the people of western Canada the firmness of the government's intention to meet the aspirations of western Canada with a new national policy.

I say that what has been done in the case of grains, the fantastic turn around in that area in recent years, and the tremendous efforts of the government will stand as a monument, as evidence of what we are doing, and will be doing in pursuing the objectives and spirit of the Western Economic Opportunities Conference.

When the hon. member for Saskatoon-Biggar (Mr. Gleave) was speaking the other day in this debate he once again started his speech, as he has done for some four years now, with some remarks about the LIFT program. I always find it interesting that opposition members, in seizing on one thing which they feel is simple to point to as an error, have to go back four years to 1970 to find something in the grain area. They ignore the hopper cars, the two-price wheat, and the other things that we have done. The trouble with picking on this particular program is their error in how they treat it. Once again, the hon. member for Saskatoon-Biggar did what opposition members are so likely to do. He suggested that the LIFT program discouraged the planting of barley and rapeseed, forgetting that it was directed only in relation to wheat at a time when we had 1,100,000,000 bushels of wheat on hand, with a new crop ready to come off the land. In fact that program encouraged people who wanted to grow anything to go into barley and rapeseed. In fact, Mr. Speaker, we moved to record volumes of barley and rapeseed.

Through that program we were allowed to cope with the tremendous amount of wheat we had on hand, in elevators and on the farms, and one result of that was that we could move other grain such as rapeseed and barley more efficiently. This allowed us to achieve record volumes of exports that year and in each of the succeeding years, so that for four years in a row we have exported more than we produced. In those four years, Mr. Speaker, we have moved grain out of this country at a fantastic rate and still, by next August 1, we will have in reserve about the amount of grain which the prairie premiers last July said was the right amount to have in reserve in this country. That is four years after LIFT, Mr. Speaker, and after four years of exporting more than we have produced.

● (1420)

Those are the facts about the program; it was a program which allowed us to revise the quota system; to put the emphasis on marketing and move from an old pattern of inefficiency and ineffectiveness to a sensible system with information to the farmer and production by the farmer. From 1970 until the year which we are approaching, the farmer has not felt that he wanted to build up his stocks of grain to the extent that he would fertilize to the degree

that was wise from a crop production point of view. It is only as 1974 approaches, and to some extent in 1973, that he wants to fertilize and once again increase production, meeting the challenge put to him in four successive years of selling more than is produced.

I understand why the hon. member for Saskatoon-Biggar (Mr. Gleave) is sensitive on this subject because when I go to his constituency, as I have in the years since 1970, I find that many a farmer who listened to him in those days—as when they listened to the hon. member for Crowfoot—felt that the right thing to do then was to ignore LIFT; to do the opposite. That was the advice given by the hon. member for Saskatoon-Biggar but when I examined his own farming operations I found that he did not take that advice himself but followed the LIFT program and benefited from it. If he had given that kind of advice to his constituents he would not now have on his conscience the advice that he did give them.

In this Speech from the Throne we see not only these great matters which interest me from the point of view of my responsibility as minister in charge of the Wheat Board and a member of parliament from western Canada, but we see also that significant steps are being taken in the area of improving our legal and judicial system. Once again we will have before the House a series of criminal law amendments. These are important enough in themselves but perhaps they are more important as a process to which we are committed, that of a regular, ongoing reform of our criminal law.

We do not intend to wait four, eight or twelve years for changes as has been done in the past, but to respond on a more or less annual basis to the need that is felt, to bring our law up to date, to improve it or to remove anomalies from it. We will have before this House what amounts to an omnibus bill to keep up the work. We will also watch the reports from the Law Reform Commission which are continuing to flow, and will attempt to make use of the valuable advice and information that they contain in order to continue the process of law reform which this government has carried forward with such vigour in the last half dozen years.

We will also have a very important piece of legislation with the introduction of a Rights and Interests Commission at the federal level. I see a commission which will work effectively with, and as a counterpart to, those commissions which exist in the fields of human rights and ombudsman's work throughout the provinces. Work is being done in the provinces in these areas which are within provincial jurisdiction and we intend that these commissions will have a complementary body which can work in those areas, as a federal commission, which cannot be covered by existing commissions. These commissions will work closely together.

The federal commission will have as a major role the promotion of research, information, education and enlightenment in the field of human rights. It is through better understanding and a greater willingness on the part of people to be fair to others that human rights are best protected. We can create legal techniques to enforce the rights and improve the position of individuals, but in the end it is through the understanding of the great majority of our people, and the willingness of individuals to be fair and fair-minded that those rights are best protected.

This, Mr. Speaker, is my view of my own responsibilities and of the very exciting and vigorous amendments which will come before the House in this session as this government attempts to continue putting before parliament and the people of Canada legislation which makes and keeps Canada the great country it is.

Some hon. Members: Hear, hear!

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I am glad that I have had the opportunity of listening to the Minister of Justice (Mr. Lang) take part, as have many ministers, in the debate on the Address in Reply to the Speech from the Throne. As I heard of his great concern about the gap in credibility between western people and the government here in Ottawa, and as I heard him reread the speech of the Minister of Agriculture (Mr. Whelan) which listed all the things which have been done since the Western Economic Opportunities Conference of last summer, I tried to picture in my mind what it all represented.

I thought of that doctrine of the middle ages whereby you should spend your time on great academic matters. The only picture that came to mind was that of a mosquito with a wooden leg trying to bore a hole through a dill pickle. That is the measure of effectiveness of the answers of the Minister of Agriculture and the Minister of Justice to the gap that exists between western Canadian thinking and to the actions of this government. Another picture that flew through my mind was that of a pygmy sandpapering the side of an elephant—the problem is so big. With these mosquitoes and pygmies running around talking this middle ages sterile nonsense that we have heard today, it shows better than I can how that gap will never close.

The minister spoke about his responsibilities in connection with grain and mentioned the grain stabilization bill that failed. I say to him very bluntly that whenever he brings into this House a grain stabilization bill that does not make it necessary or mandatory for the farmer to receive the share of the money he put into the fund dependent on the whims of a few civil servants, then the farmer will look at it. Any type of stabilization bill brought into this House must be based on a formula that everyone knows in advance and not, as the minister once said, upon farmers doing what they are told in order to get money out of their own fund. I think that indicates some of the reaction he is going to get from western Canada before he introduces the stabilization bill. Base it on a formula which ensures that the farmer who puts money in has the right to draw it out in certain circumstances.

The minister is sensitive to LIFT. If he wants to bridge the gap between the west and Ottawa all he has to do is say to the west and any others, "I listened to the wrong advisers; I goofed when I recommended to the government that we restrict the production of western grain and when we paid farmers not to grow things." The whole world knows that this winter between 10 million and 50 million people are in various stages of starvation. How many died we do not know. Every government which took advice on restricting production in a hungry world has committed a moral crime that people are not going to forgive. The

minister is so inflexible that he is not going to bend his knees and say "I listened to the wrong people". Why does he not say that to the farmers, so that he can say, "You have heard the truth from my own lips?" If I were caught beside a cherry tree which had been chopped down and I had an axe in my hand and my old man asked me what happened, I would tell the truth. That is what the government must learn to do.

● (1430)

I did not enter this debate in order to teach modern methods of thinking to the Minister of Justice. That would be impossible. I entered it, in part, because I want to pay my respects to the mover and seconder of the Address in Reply to the Speech from the Throne. I say to those hon. members that I recognize the honour the Prime Minister (Mr. Trudeau) has paid them in allowing them to move and second this important and traditional motion. Speaking as an older person and member, I always look at those speeches to see if any new contribution has been made by those bright members. I think the congratulations extended by hon. members to those two speakers are well founded.

I think we should be aware, in this debate, of speeches made in the House which are different from the ordinary, that is to say, unusual. Such a speech was made one week ago by the hon. member for Edmonton-Strathcona (Mr. Roche): I do not know how many members have read his speech or how many listened to him in the House. His speech was unusual. He bared his soul and thoughts as he dealt with the sickness that is evident in the western world today. I commend the hon. member's speech to members of the House and to the country. Not all may agree with his sentiments, but it should be noted that there is at least one member who is groping for the truth and the way ahead.

I, too, want to speak about the malaise gripping ministers who are supporters of governments adhering to the western style of democracy. This malaise can be seen in Japan, France, Italy, Israel, the United States, the United Kingdom and Canada. The malaise is a common denominator in those countries. People in them are looking at their leaders and asking what is wrong. They say, "Our leaders do not seem to know what they are talking about and, despite all the pronouncements made by the use of public relations experts, what they say still does not ring true." What governments say has little bearing on the deep worries of individuals. So, my criticisms of this government today are aimed not merely at this government. They are aimed at the ministerial malaise which grips western style democracies.

I do not know if I am right. This I do know: ever since the war, ever since the great penetration by governments into the affairs of private individuals, we have developed, all of us, a charming, amiable, dedicated but determined bureaucracy which, more and more, has run the countries of the western world and which has left to members of parliament and to cabinets the task of making their announcements ex cathedra.

This process is of concern to me, a member of parliament in a western style democracy. On several occasions in this House, in 1966 and 1967, and again last September 13, I spoke about two or three problems in this area and about ways of solving those problems. Let me begin by referring to an article written in the magazine *Executive* by one of the older and more experienced members of the news gallery, Douglas Fisher, who, in more than one way, is one of the more substantial members of the gallery. I think most members know that Douglas Fisher at one time used to sit in this House in opposition as a member of the NDP. I shall refer to his views about the role of ministers of the Crown in the present government, and to that of deputy ministers.

Apparently, it was the dream of the socialist from the Montreal milieu to set up a substructure when he was in power, and to employ experts in that substructure. He wanted to leave all decision making to the bureaucrats within the substructure, so that politicians would only need to take their advice, run the country accordingly and all would be well. Apparently this structure did not work too well. It has fallen apart. Actually, the election of 1972 ended its role, and now we have a government that is no longer run by the bureaucracy or a government in which one bureaucracy watches another; according to Douglas Fisher, we have a government in which ministers of the Crown are flying by the seats of their pants. I welcome that. I would rather see a minister with common sense speaking for the people he represents and making decisions on the basis of the facts before him than the horrendous system of bureaucracy, of committee on committee, trying for years and years to arrive at a consensus.

In this modern day when conditions are changing so rapidly and becoming so complex, the middle ages approach to running government is obsolete, and has been for some time. So, I welcome that article by Douglas Fisher. I commend it to members on the government side as well as to members on my side, who some day soon hope to make up the government party. We are living in important times and we shall need to make individual and important decisions to overcome problems.

I wish to add to my remarks of September 13. There are three areas of concern in the economic field. They are of concern to all thinking politicians in the world, regardless of the form of government they support. What are these concerns? First, economic advisers of governments, of both the so-called free enterprise countries and of the socialist countries, have no model, no framework for decisions dealing with a new phenomenon that has developed noticeably since the war, the phenomenon called cost-push. That is something which concerns ministers of socialist governments as well as those of free enterprise countries. I will return to that subject.

Second, all governments, regardless of their political outlook, are worried about the threat posed by huge capital accumulations or concentrations which endanger the precarious monetary and fiscal systems we have evolved for running the world. I am referring, of course, to the $120 billion odd in Eurodollars. It does not matter how these Eurodollars were accumulated. They are now a threat to world economic stability. In addition, of course, there is a great concentration of money in the hands of oil producing countries, many of them Arab countries. This concentration of capital which has no easy access to investment has brought the world into the position where it has never

been closer to worldwide recession than in the last year or so. We are still in that position. I will return to that problem.

Third, what is even more serious is that economists in Canada, Japan, Europe, the United States and elsewhere do not have models of economies which take cognizance of the fact that the world no longer has a surplus of every form of commodity. Since the last war, the fact has become increasingly clear that in the next century or two we are going to be facing a series of shortages in strategic commodities that affect the whole economic stability of the world. We had a little taste of the phoney oil shortage of this past year, but I will come back to that so I can maintain my remarks in a coherent fashion.

● (1440)

Let me briefly review my first point, the cost-push inflation problem. Cost-push is simply made up of a number of factors that force costs up and have the effect of raising the price of the end product. The rapidly increasing costs of government in all our western countries is the number one cost-push force. The deliberate policy on the part of western governments of forcing up the interest rates as an attempt to carry out Keynesian doctrine at a time when that was something they should not have been doing is the second cost-push factor of major importance forcing up prices. It is this clownish behaviour of the stop and go money supply.

As several speakers have already mentioned in this debate, for years our money supply was a constant. I recall sitting on the treasury benches for five and a half years. The money supply remained almost the same, around $13 billion. It now goes up at the fantastic rates of 15 or 20 per cent a year so that we now have over $50 billion in circulation, yet the amount of goods in circulation is not five times greater. Obviously, there has been some misuse or bad use of the technique of issuing the money. This has created a tremendous upward pressure on prices.

There is also the fact of municipal and provincial governments allowing land costs around our cities to get out of control so the speculator has had a field day. This has added tremendously to the cost-push at the centre of industry around our cities which has the great impact of higher prices. At the end of the list is always the labour cost. The labouring men who live in the cities naturally have to fight to keep up with all of these costs and, with their organizational strength, try to keep ahead of the rat race. God help the unorganized labourer or person on fixed income.

These factors of cost-push are well known. This government has set an example of exacerbating all of it. Every time we get into a situation like that of 1969 when it was said that prices were rising too fast, we get the same medicine. It is as if those price increases were caused by a demand factor when they were in fact caused by cost-push. I am reminded of a story I have told many times concerning youngsters going into an apple orchard. Never having seen an apple orchard before, they gorged on the apples. One or two of the group got a bellyache. I can recall the lady of the house calling in the whole bunch of us. Bellyache or no bellyache, we all got the same medicine which was designed to get rid of any problems of the stomach very quickly. This is what the government has done, not only in the last five years but the last 25 years.

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

As the Porter royal commission made very clear, it is a matter of wrong fiscal and monetary policies. This has been well discussed on many occasions. I want to point out again that some of us tried to make positive proposals in arguments with civil servants. I am not too immodest to point out that I have tried to suggest positive proposals. I made a series of remarks on three or four separate occasions over the past 10 years in the House about the necessity of refining the Lord Keynes doctrine in a country like Canada with so many regions, something which has been almost completely ignored by the government for the past 15 years. In our model of handling our economic system, we need to have some recognition of the regional nature of our country and the varying demands of industry. In a moderate industrial strategy where you strengthen the ones with the best chance of succeeding, you bring in the question of the social purpose of the monetary and fiscal policy. This all boils down to the fact we have to accede to the principle of selectivity.

I will now turn to the question of timing. I read the speech which the Minister of Finance (Mr. Turner) made the other day. He said on three days of the week the opposition is expansionary and on three days it is restrictive in monetary and fiscal policies. He is quite right in that criticism because with modern monetary and fiscal policies, you have to go both ways at once when dealing with a country as big as Canada. When you are in a boom situation in Montreal, you can be stagnating in Toronto. We are stagnating in the areas north of Toronto and in Montreal all the time. You need to have conflicting policies in theory working at the same time.

It is as true as I am standing here that when you have to deal with a country with at least 17, 18 or 19 regions, there have to be policies that are different and they can be the opposite at different places at the same time or even in the same area. However, I do not want to repeat all those types of positive proposals in this one speech. I have made it in the House on three or four occasions. I know that the Minister of Finance and his officials have read it. However, I do not see evidence of any thought being given to it in the form of action by this government.

The second problem that I mentioned is the danger to the world of these concentrations of capital. I am not only referring to the Eurodollars. The finance ministers of the world and their officials still have not put anything forward about funding those Eurodollars and getting this floating danger off the backs of reserve funds of the various nations of the world. More important is the tremendous buildup in the Arab nations. Some Arab and African nations can put the money they receive for their oil back into investment in their own country, but many of them cannot such as Kuwait, Abu Dhabi, Saudi Arabia and possibly Iraq. There is no possibility of the billions of dollars pouring into their coffers being used in a prudent way so quickly in their countries. Therefore, it is a job for all thinking people in the western world.

Japan is going to be very short of oil energy sources for an indefinite time, as will western Europe. The United States is moving into a period of shortage, but will, I think, be out of it in about 10 years. There are some

surplus nations. These problems seem very remote. Imagine a group of nations 12,000 miles away having $60 billion, $80 billion or $200 billion of surplus investment money. This does not have anything to do with Canada? No country is more under the gun than Canada. We are an export nation. We depend on the stability of the monetary and fiscal systems of world nations, both domestically and internationally, to keep up world trade.

● (1450)

I say to Canadians who wish to give the proper thought to such a situation that the danger of a recession in Canada and in the United States is not on the horizon at the present time. There is too great a demand for goods. But there is a danger at the international level. However, it should not be without some pleasant aspects. Hundreds of billions of dollars, almost one hundred billion dollars are available for investment. And what have we in Canada to contend with? What is the difficulty? Well, it amounts to a difference in attitude. Let us be frank and realistic. The Japanese are frightened of an invasion of cheap money from the Arab countries. Can you imagine, Mr. Speaker, the reaction of the United States government today if there were an offer backed by Arab money to take over Ford—seven billion dollars in one swoop? The attitude of the Americans, of the Japanese and ourselves has to change. All these surplus money nations can get for their money is about 3½ per cent or a little more in Swiss banks. Our countries take the attitude that Arab money is dangerous. One can imagine civil servants saying: By God, if we bring 5 per cent money into Canada it will ruin our high interest policy.

Today, thousands of Canadians are in desperate need of homes. They are wired into this 10 per cent interest rate which our masters on the fiscal side have decreed they must accept. There is cheap money available but it is accompanied by dangers. We have to pay it back in 20 years from now at the exchange rates prevailing at that time. This means we must work hard and export sufficient to keep our dollar in relation to those currencies. But that is not impossible. There is nothing wrong with borrowing money providing bonds for us to develop our economy in Canada. Canada's interest lies in owning the equity; we want to own our country. We can soon pay off the bonds.

Still on this subject, the newly developing nations are in tremendous need of investment capital. However, they can only absorb it at a certain rate—it is difficult to get huge amounts into those countries quickly. Machinery is lacking at both national and international levels to encourage the speeding up of the movement of needed capital into, say, Pakistan or Indonesia or Malasia. It is true a World Development Bank has been set up, but in my book it is really a delaying mechanism. I do not see why Canada and other countries which are not suspect in the eyes of the world cannot build up the necessary machinery taking advantage of the tremendous know-how possessed by Canadian companies allied with the enormous investment funds belonging to the Arabs.

Such an organization should be capable of acting quickly so that part, at least, of these huge sums which are overloading the monetary system and threatening the whole stability of the world monetary structure can be usefully employed. As I say, Canada would need to adopt domestic and foreign policies designed to keep our dollar in relation to the value of other currencies. But this is not beyond possibility. In other words, the problems affecting us here are mostly monetary and fiscal. I am warning Canadians that if we do not get with it there could well be a world wide recession.

I turn, now, to another point—the tremendous change which has to come over the minds of the experts who guide our governments in the formulation of policies. We have no model for handling the problems raised by a worldwide shortage of commodities. All the economic doctrines and theories which guide our policies are based on the fact that there will always be an abundance of commodities and is concentrated on the use of labour and capital. Somebody, or a group of people, has to devise a model to cope with the likelihood of the world being short not only of oil but of steel, fibres and other key materials. By the year 2000 the Americans alone, using the prices of a year ago, will be importing minerals at the rate of some $60 billion a year. We shall be facing a tremendous shortage of fibres, that is, wood. I know these things, because warnings have been given out for years. This is all the more reason for putting some original thinking into designing an economic model to cope with the situation when it arises.

I come back to the argument by Douglas Fisher. I am simply saying that even though I give warning of these dangers I have great confidence in the fact that the human mind, once faced with a challenge, has always responded. We do not necessarily have to wait for another Lord Keynes to come up with a model to solve our problems as he did in connection with a demand-pull type of inflation in the thirties. Among ministers, among members of the opposition, among parties of all types in all the western democracies I believe there is a tremendous fund of commonsense, an ability to sit down and do the type of thinking which has to be done to produce new ideas for testing out. When I hear supporters of the government yelling "tell us your policy" as they have done for the past year, I know there is no thinking there. The same sort of thing is happening in every country. It is in these circumstances that governments say: Inflation is worldwide and we cannot do anything about it. This is being said by French ministers in Paris, by British ministers in London and by Japanese ministers in Tokyo. It is the same attitude as ministers took in 1929, and as a result, we spent ten years—

The Acting Speaker (Mr. Laniel): Order. The time allotted to the hon. member has expired.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have just one sentence to go.

Some hon. Members: Carry on.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have said I am optimistic. We can avoid an international recession if we use the brains we have—the resourcefulness of our civil servants and of our elected members. I have faith that in the monetary field they can produce the ideas if only they will get down to the job of grappling with the situation.

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, first I would like to congratulate warmly Their Excellencies Mr. and Mrs. Jules Léger on their appointment and I also extend them my best wishes in the discharge of their high responsibilities.

I would also like to congratulate the member for Spadina (Mr. Stollery) and the member for Sherbrooke (Mr. Pelletier) who have well discharged their task in proposing and seconding the Address in reply to the Speech from the Throne.

I cannot refrain, Mr. Speaker, from pointing out also the outstanding intervention of the Prime Minister (Mr. Trudeau) during the debate last week. I think that columnist Charles Lynch was right when he stated:

[*English*]

In his opening speech of the session it was a different Trudeau—involved, scrappy, funny and confident. It was easily Trudeau's best speech ever in parliament.

● (1500)

[*Translation*]

That performance does not surprise me at all. It reflects very well the leadership, the stability, the ability of the Prime Minister of Canada. I think it is not superfluous to compare that leadership in Canada to that we can find now in most industrial countries of the free world. In Europe, if you except a few totalitarian régimes, most countries are governed by shaky coalitions or are simply not governed at all.

Almost every country in the Common Market suffers from political unstability. There is no government in Italy, we do not know exactly what type of government they will have in Belgium, Chancellor Willy Brandt's régime is on the brink of disaster, Premier Messmer, in France, has had to reshuffle his cabinet in order to hang on and the British have just given themselves a government that was truly elected by the skin of its teeth.

I think that the situation is not much more rosy in the United States where they are wondering from one week to the other when President Nixon is going to resign. Canadians can therefore rejoice in the fact that they have political stability thanks to a statesman who governs with vigour and dynamism. In my view, all Canadians have realized that in these difficult times they needed a strong man to lead the country. The leader of the official opposition (Mr. Stanfield) may be a likeable chap, but he has not and will never have either the strength or stature to be the leader or Prime Minister of this country. In my opinion, it is quite clear that his many attempts to overthrow the government are as useless as his efforts to convince the Canadian people that he is a "valid alternative" to the right hon. Prime Minister (Mr. Trudeau). His efforts are fruitless and will remain eternally so. No matter how hard he struggles and frets, he will fail because, as the popular saying goes: "He simply hasn't got it!"

I should like to avail myself of this opportunity this afternoon to deal with a matter of very great concern to me. It is a fact that, in addition to my duties as Postmaster General, I have been entrusted by the House with the responsibility of marketing commemorative postage stamps and coins to help finance the Olympic Games. No matter what a number of hon. members in the opposition may think, I am as eager to fulfill my responsibilities as Postmaster General as I am to sell the commorative stamps and coins. I strive to discharge my responsibilities to the best of my ability so as to give satisfaction to the Canadian people in these two areas.

For the benefit of the House, I want to come back on some declarations made here that have no doubt caused great prejudice to the whole olympic program. I think that those allegations affect me in so far as I am in charge of the sale of olympic coins and stamps. It is necessary that neither doubt nor smirch should depreciate the olympic organization, and that is why I want to set the facts in their true light and bring some order back in a situation where the privileges of this House have been used to tarnish the reputations of certain individuals and highly commendable organizations.

Mr. Speaker, hon. members know very well what I am talking about. I am talking about the recent statements made in this House by the hon. member for High Park-Humber Valley (Mr. Jelinek) on the sale of television rights to the 1976 Olympic Games. To set the record straight may I first be allowed to point out that the television rights to the Olympic Games are owned by the International Olympic Committee and not by Montreal, COJO or Canada. And the hon. member for High Park-Humber Valley should know that very well. So COJO sold its rights on behalf of IOC. And I quote from section 48 of the 1972 IOC regulations:

The television broadcasting rights to the games will be sold by the organizing committee by delegation of the International Olympic Committee and subject to its approval.

Since the hon. member for High Park-Humber Valley made those very serious charges without substantiating them with evidence, I had the opportunity to meet personally and ask those mainly concerned in that business. Commissioner General His Excellency Roger Rousseau, Mr. Snyder of the Olympic Committee and member of that committee dealing with the adjucation of that television contract, Mr. Arlidge, President of ABC, all told me that the hon. member was completely off the track and the victim of either his imagination or his maliciousness. I leave it to the House to determine whether it is his imagination or his maliciousness.

Members of COJO told me that with respect to the 1976 games a protocol identical to that of Munich and previously Mexico was adopted for the sale of television rights with one exception—COJO hired an expert for the negotiation of television rights and on the advice and recommendation of the organizing committee for the Munich Games. It is through the advice of that expert that a goal was set of $25 million as compared with $4.5 million obtained by Mexico City in 1968 and $13.5 million collected by the Munich Games in 1972, for the sale of television rights to the United States.

Mr. Speaker, I should like to give the House the information that I received on the state of the negotiations. As you know, three American television networks were entitled to submit tenders for the games broadcasting rights. I am told that all of them were invited to do so. However, Munich authorities had warned the organization committee not to give the networks the opportunity to set up a

common front which would have allowed them to set in advance the maximum amount payable for broadcasting rights in the United States.

It is therefore with full knowledge of the facts that the organization committee sought expert advice to obtain the best possible contract. This is why there were no public calls for tenders; the committee did not want to be boxed in by such a move and perhaps forced to accept an amount that it considered too low.

Mr. Speaker, the negotiating committee came to an agreement in principle with the ABC network for the amount of $25 million on November 17, 1972. This agreement was then ratified by the COJO and ABC boards. A contract duly prepared by the legal services of both parties was signed on January 3, 1973.

I find it simply absurd that the member for High Park-Humber Valley (Mr. Jelinek) could not even differentiate between an agreement on principle and a formal contract when speaking of this matter. Throughout the negotiations, the CBS and NBC networks had the possibility of making better offers than the ABC proposition of which they were fully aware.

In its own interest, COJO encouraged CBS and NBC to make offers, even after the official signature of the contract. Until the ratification of the agreement by the International Olympic Committee, that is May 12, 1973, the CBS and NBC networks were absolutely free to approach the International Olympic Committee with a better offer. Nothing was done under cover, as it were; all three networks knew perfectly well what they had to do. The hon. member should know that it is the International Olympic Committee that had the last word. Since the contract was ratified only in May, they had enough time to make any offer they wished.

I am assured by COJO officials that there lies the real reason for the reserve clause put into the contract by ABC, because the other networks could make directly a better offer to the International Olympic Committee.

Therefore, the CBS and NBC networks had all the time required to make an offer, even after that of ABC, and they deliberately chose not to exercise their option. The hon. member for High Park-Humber Valley tried to make the House believe that the IOC repudiated the way in which the contract was awarded when he quoted Lord Killanin, president of IOC, as saying, and I quote his words as reported on page 90 of *Hansard:*

Future television negotiations will be conducted jointly by the organizing committee and the IOC board.

The sentence is quoted out of context and I say once again to the hon. member that he is either ignorant or malicious.

Mr. Speaker, it is true that COJO asked for the censure of IOC by negotiating a contract whereby the latter must share the cost of television technical services as well as the income. Those services will cost something like $9 million. The hon. member for High Park-Humber Valley will therefore be happy to learn that COJO will use those $9 million to make up part of the $25 million it will pay the CBC as official telecaster of the games. If Lord Killanin is unhappy, it is not because IOC feels the contract was unsatisfactory but because he realizes that as a result of the decision of the Canadian committee IOC will get less than it had originally hoped. In any event, I want to quote Lord Killanin, and it is important that I do so, since the hon. member tried to impute motives to the president of IOC. Lord Killanin said: "It is very clear that the contract between COJO and ABC was in order; that is why the International Committee sanctioned it in May last."

And in a press release from Lausanne, one can read this:

● (1510)

[*English*]

Lord Killanin, president of the International Olympic Committee, declared that he is convinced that claims of irregularities in the awarding of television contracts for the 1976 Olympic games are without foundation.

[*Translation*]

Mr. Speaker, in Munich in 1972, the international broadcasting rights for television were sold for $17.5 million. The Innsbruck winter games in 1976 will be sold for some $10 million. By comparison, COJO sold the rights for the United States for only $25 million and it hopes to sell them to Japan, Europe and to the rest of the world at a price much more reasonable and much higher than that paid in the past by those countries. This is why it has hired an expert to help it negotiate these contracts and obtain the best conditions and as much money as possible. Mr. Speaker, $25 million is the biggest amount which has ever been paid for television rights. The hon. member for High Park-Humber Valley should be delighted about such a contract rather than trying to reflect discredit upon the Olympics Games.

On January 11, 1974, this member made in this House unfounded statements particularly when he declared as you can read at page 9280 of *Hansard* and I quote:

... when the National Broadcasting Corporation had in fact indicated that they were prepared to bid up to $32.9 million, without any strings attached?

The representatives of COJO have told me that NBC never made such an offer. Furthermore, newspapers reported that one of the people in charge of NBC had denied that the network was prepared to pay such an amount.

On page 9280 of *Hansard*, the same member states that Mr. Carl Lindeman, Vice-President of the CBS network, was told point blank that he would have to pay $5 million to the Quebec government as payment for contract negotiations with COJO.

Mr. Speaker, I have this to say: When any one makes a statement with such implications, such a serious statement, he should verify his facts, he should not say whatever he thinks. Mr. Carl Lindeman does not belong to the CBS network, as the hon. member for High Park-Humber Valley claims, but he is Vice-President of the NBC network in charge of sports. This shows clearly how accurate the hon. member for High Park-Humber Valley can be in his statements.

The hon. member by his statements in and outside the House has brought such doubts about the integrity of ABC that the network communicated with him to ask him for details and a retraction, because he was hurting the network's reputation. This is what the hon. member was forced to do. In a letter addressed to Mr. Roone Arledge,

President of the ABC network, sports section, last January 30, he wrote as follows and I quote:

[*English*]

To clarify some of the misquotes in the press following my so-called allegations, I want to make it clear that at no time did I accuse or suggest that ABC was aware of any underhanded or illegal dealings that I believe arose as a result of the ABC contract with COJO. Nor have I ever indicated that the negotiations conducted by ABC in obtaining the exclusive television rights were ever "shady" or illegal or in any way improper.

I do, however, want to reiterate my belief that somewhere along the line, funds did in fact find their way into the Quebec provincial Liberal coffers as a result of the completion of the contract.

I hope this clarifies my position in this matter.

It is signed by the hon. member for High Park-Humber Valley (Mr. Jelinek).

[*Translation*]

There! We see the true face of the hon. member. Forced to retract because of a doubt he had spread about the integrity of the ABC network, he retracts; but he continues to claim that money was paid to the Quebec Liberal Party. He has no proof of it, but he continues to throw mud, to discredit Quebecers. This is the typical way to act for some members of the Progressive Conservative Party!

● (1520)

[*English*]

I think a television program "the City at Six" which was broadcast on March 1 following the second intervention in the House of Commons by the hon. member for High Park-Humber Valley is a pretty good resumé and a pretty good answer to the allegations made by the hon. member. In a press notice in the parliamentary gallery he announced his intervention in the throne speech debate in these words:

I hope to, among other things, explain my position on the Olympic issue, as well as disclose further evidence as to the irregularities of the awarding of the contract.

The following is a portion of a transcript of the TV program to which I have referred. Bob Jeronomie, TV broadcaster, said:

There was to have been a bit of drama in the House of Commons today. Otto Jelinek, the Conservative MP, had promised to document his charges of bribery in connection with the awarding of television rights for the 1976 Olympics.

That did not happen. Mr. Jeronomie continued:

Tim Knight has worked on this story for weeks now. He got a copy of the agreement between ABC and COJO, he went to Ottawa and New York city and he talked to the people involved. Here is his report.

Mr. Knight interviewed Mr. Rousseau, Lord Killanin, Mr. Josephson and Mr. Arlidge, and all of them absolutely denied any wrongdoing in this matter. He said that when he interviewed the hon. member for High Park-Humber Valley and asked what proof he had, what evidence and documents, that there were some shenanigans going on there and that some money had found its way into the Liberal Party of Quebec, the hon. member for High Park-Humber Valley answered:

As far as the money finding its way into the Liberal Party, I have absolutely no proof at this time.

Mr. Knight concluded his inquiry by saying the following:

[Mr. Ouellet.]

The problem is, of course, that it is incredibly difficult to prove innocence, but it seems to me that unless Otto Jelinek or somebody else does come up with a lot more details and facts than they have—there is no foundation for all these rumours or these allegations. All the principals involved deny any kickbacks, any bribery. It is a fact that NBC or CBS could have challenged the ABC deal at any time up to May last year. Then, and only then, did ABC officially get the television rights to the Montreal games. There is some friction, of course, between the International Olympic Committee and COJO here in Montreal, but that's not unusual in a contract as big as this. All in all, this reporter throws this case out of court for lack of evidence.

[*Translation*]

In conclusion, Mr. Speaker, I think the time has come for the Progressive Conservative Party to reveal its true intentions, without ambiguity, about its position on the Olympic Games in Montreal and Kingston, in 1976.

The hon. member for High Park-Humber Valley (Mr. Jelinek) claims to be the spokesman for the PC party on olympic matters. He was one of the first to take the floor after the Leader of the Official Opposition (Mr. Stanfield) in the name of his party in this House, during this debate. So he surely speaks in the name of the Progressive Conservative Party. But he does not deserve to speak in its name on matters relating to the Olympic Games. He has explicitly and clearly proven that he is incompetent or that he is not in good faith. In my opinion the time has come for the official opposition to seek in its ranks someone else to speak on olympic matters. I know that several members of the opposition are undoubtedly favourable to the games. If I may, I would like to suggest to the Leader of the Opposition to ask the hon. member for Vancouver South (Mr. Fraser) or the hon. member for Parry Sound-Muskoka (Mr. Darling) or the hon. member for Joliette (Mr. La Salle) to speak about the Olympic Games but let him get rid of this man who makes charges that are likely to be very prejudicial to the 1976 Olympic Games. This is not worthy of a member of parliament. Otherwise, I will have to conclude, as will the people of Canada, that Progressive Conservative members are opposed to the games. They cannot keep on playing that game. When they go to Montreal, they tell the people that they are pleased, but when they go in other parts of the country, they say that the games should have been divided, one part being held in Montreal, another in Toronto and another still in western Canada.

This hon. member who already took part in olympic competitions is perfectly aware of the fact that the games cannot be divided in this way. He knows perfectly well that the games must take place in one main location. Since the beginning of this debate, the Progressive Conservative party have indulged in peanut politics. They unduly and incorrectly pestered us in committee, through the voice of this member who keeps on sullying Quebecers. The Progressive Conservative party continue to divide people in this country whereas, thanks to the games, we should unify Canada. And all of us should be very proud that these games will be held in Montreal and Kingston in 1976. Athletes from all parts of Canada will take part in the games. People from all parts of Canada will come to attend these games, both in Montreal and Kingston.

Therefore, I say that the Progressive Conservative party show their real position, otherwise we will understand that they are always sitting on the fence and that in the end they are opposed to everything stemming from or

directed to the province of Quebec. The Progressive Conservative members are against French Canadians and they always have the odd greenhorn to sully people.

The Acting Speaker (Mr. Boulanger): Order, please. Does the hon. member for Lafontaine (Mr. Lachance) wish to ask a question or is he rising on a point of order?

Mr. Lachance: I wish to put a question to the minister, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): Since the time allowed to the hon. minister is not completely expired, the minister may, if he so wishes, answer a question. Does the minister agree?

Mr. Ouellet: Agreed.

Mr. Lachance: Mr. Speaker, could the minister give us the date of Lord Killanin's statement?

Mr. Ouellet: Yes, Mr. Speaker. The President of the International Olympic Committee made this statement at the beginning of March, and I have here a copy of the *Toronto Sun* of Tuesday, March 5, reporting Lord Killanin's statement.

[*English*]

Mr. Don Mazankowski (Vegreville): Mr. Speaker, at the outset I should like to express my appreciation to the hon. member for Esquimalt-Saanich (Mr. Munro) for relinquishing his position today and allowing me to take his place since I have another engagement on Monday. I should also like to express my appreciation to the hon. member for Huron (Mr. McKinley) who was instrumental in making these arrangements.

The Speech from the Throne in the main has recognized a number of economic issues which prevail both at home and abroad. Whether or not the issues to which the government has made reference will be resolved as time progresses is really another matter which is dependent upon the attitude of the government and, indeed, the course of its legislative program. One would have to possess a short memory not to note that basically this Speech from the Throne is very similar to the Speech from the Throne delivered at the commencement of the previous session a year ago, possibly with the exception of a little more emphasis on energy and agriculture and items such as the status of women. The government really is saying that basically we have the same problems today as we had a year ago, gravitated by a year of government inaction. It is saying, in effect, "We have failed to correct them, but give us another chance and we will stumble along with the aid of the NDP, hopefully for another year."

● (1530)

The Speech from the Throne speaks of a serious disturbance in the international economic situation arising from problems of supply and the price of a number of commodities, particularly oil. It makes reference to problems relating to food, the shortages of foodstuffs here in Canada and throughout the world, the dramatic increases in the price of food, the causes and the effects, and it proposes some solutions. It proposes to increase production of a number of agricultural products. This is rather a turn-about because only a couple of years ago the government was paying farmers to slaughter chickens, it was paying farmers not to grow wheat and penalizing the dairy industry for producing dairy products. It speaks of inflation, and in that area the government is in a league of its own. It refers to inflation as a phenomenon, for which no real concrete solutions are proposed. It speaks of the necessity for increased job opportunities. It speaks of matters relating to greater control over our economic affairs. It speaks of the need to overcome regional inequalities and disparities, and a few more crumbs are thrown out for the west. Of course, it mentions housing, transportation, the enhancement of our quality of life, aid to small business, industrial development policy, science policy, and so on.

Out of force of sheer necessity any government would be bound to recognize these problems which are very real, but we on this side of the House are in no way convinced that a year from now these problems will not be with us still, for in our opinion the major objective of the government is to cling to power. Moreover, it lacks the vision, the expertise and the determination to grapple effectively with the matters mentioned in the Speech from the Throne, matters which in effect threaten the economic fabric of our nation. I will have a little more to say about that later, particularly in relation to agriculture and transportation. However, before doing so I want to refer to another matter, one which concerns me very deeply. The throne speech has made reference to a number of economic disturbances. I shall refer to a disturbance of a social nature which in my opinion transcends the most important of the economic issues which we face.

I refer to the escalation in the decay of the human and moral standards which prevail in our society, a growing permissiveness, a growing disregard for discipline and the upholding of our laws, both human laws and those which are enacted by government legislation. I see the decline in our spiritual and moral fibre as a major threat to this nation and to neighbouring nations. I see the stability of family life being undermined by the direction of government legislation and its seeming disregard for the concept of the family unit which is a vital and integral part of our social structure. I see our educational system creating conflict and confrontation between generations and within family units. I see governments and society in general acquiescing in laws, written and unwritten, which are contrary to the laws of humanity and nature, where for example a person who has ambition and initiative is penalized if he looks after himself.

I see the incredible increase in the incidence of abortion, approaching a 30 per cent increase on an annual basis. And to think that in this chamber we have a number of so-called progressive-minded people who promote the concept of free abortion on demand! This is a philosophy which contravenes all the laws of nature and God. What hypocrisy, Mr. Speaker, when on the one hand we become deeply grieved and emotionally stricken over the loss of one baby, one man or one woman through violence or some other extraordinary event, or through some stupid accident, and on the other we spend great sums of money on protecting the safety of individuals, on search and rescue and on environmental protection devices—all aimed at preserving life. I agree with that, because I believe life is sacred; yet we condone, and in many cases promote, mass

murder in the name of preserving the emotional health of a mother—this in the name of birth control.

The deliberate destruction of human life through abortion is without foundation in human reason and is opposed to human nature. The destruction of human life for selfish motives is contrary to all the laws of God and man.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Mr. Speaker, I believe that we in this House and in this country had better realize that fact. We find ourselves in a society in which television and the other media engage in the perpetration of filth, violence and pornography, financed in many cases at public expense and referred to as "reporting it as it is." Much of this can only be categorized as cheap, unimaginative trash. Whatever precautions a parent might engage in, it is absolutely impossible for any parent completely to immunize his children against this kind of trash.

Some hon. Members: Hear, hear!

Mr. Mazankowski: We find ourselves in a society where discipline and punishment have been replaced by permissiveness and reform and in some cases reward, where the criminal is treated as an unfortunate misfit, in many cases receiving royal treatment under the name of rehabilitation while his victim is the hard luck guy. We find ourselves in a society where moral and spiritual attitudes receive no consideration in the quality of a man or in the evaluation of his ability to develop his full potential and contribute to society. We see an increase in the use of alcohol and drugs. We see an increased incidence of venereal disease. These are things that treatment alone will never conquer; they are social diseases, most of which are the result of the sad behavioural problem which we have in this society.

So we must ask ourselves—why? We live in a society with all the technical, intellectual and medical expertise and we have made great progress in these fields, but in terms of human progress it can only be categorized, in my humble submission, as shaky and questionable. Much of this is the result of a deliberate route taken by government and by liberal intellectuals many of whom, I would suggest, are over-educated for their brains, whose behavioural attitudes are based on ease and expedience rather than on firmness and natural sense.

Although our educational system is rather sophisticated and advanced, it has failed to provide us with the necessary tools properly to communicate with one another, to live in harmony, to understand, to co-operate, to tolerate and to accept human life—all forms of human life—as something sacred.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Yes, Mr. Speaker, the major afflictions which affect our society are by no means limited to the pollution of our air, water and land but are, rather, pollution of the mind. The prerequisites for satisfactorily grappling with this problem are discipline, clear thinking, regard for spiritual values, and work. I do not want to pose as one who has a monopoly on morals and who is a paragon of virtue. Nor do I suggest for one moment that the state and the government can legislate behaviour and morality. But I do say that our legislative measures and our educational systems can, and must, be tailored to restore and rededicate the family unit as the major pillar of our society.

We must adopt ways and means to strengthen family ties, for discipline begins in the home and that is where the breakdown commences, given the numerous counteractions which are deliberately perpetrated. These institutions must work in harmony, rather than in conflict with the family unit. Furthermore, the government must take firm and immediate action to stop the merciless acts which masquerade under the guise of therapeutic abortion. This is murder and is contrary to the laws of human nature. It is shameful, and it must be stamped out.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Never in my life have I witnessed anything so blatantly wrong, with no response from government. The state is charged with the responsibility of preserving the priceless heritage of life, and particularly of those who are innocent and unable to fend for themselves. I believe, Mr. Speaker, that we have reached the point in time where we will soon have to make a choice, and that choice is clear: it is whether we shall stand and fight for a philosophy of life, or whether we shall stand idly by and surrender to a philosophy of death.

● (1540)

I want now to deal with the subject of transportation for a few moments, particularly grain transportation and movement in this country. Grain movement in this nation has reached a very critical state. Shipments are behind something like 135 million bushels this year compared to last year. In Vancouver there are at present 14 ships waiting to be loaded, and ten more are reported due within the week. The Thunder Bay terminal is half full, with four weeks to go to the commencement of the shipping season on the St. Lawrence River. This is not a new problem but it has become particularly apparent to me since becoming a member of this House.

The railways have failed to discharge their responsibility, which is to move commodities and people across this vast land. They have a mandate to perform and they are not living up to it. The government has a responsibility to force the railways to carry out their mandate and their obligations. Just today Statistics Canada reported that for the first two months of this year railway car loadings were down 3.5 per cent compared with the same period last year. This comes at a time when all steps, supposedly, are being taken to get goods moving; at a time when the economy is moving fairly briskly and when the demand for moving bulk commodities is at an all-time high.

We hear from the minister in charge of the Wheat Board (Mr. Lang), from the railways and from some farm organizations that the only way we can resolve the problem of grain transportation is to abandon the Crowsnest pass freight rates. Mr. Speaker, that is really what the railways want and what the minister seems to be engaged in with the railways. The hon. member for Crowfoot (Mr. Horner) called it a lobby, but I refer to it as a conspiracy. I believe that the railways, the minister in charge of the Wheat Board and some men in farm circles are engaged in a

conspiracy, in effect, to undermine and, hopefully, abandon the Crowsnest pass freight rates.

I believe we have sufficient evidence of that, Mr. Speaker, because while we hear the cry for more rolling-stock and the need for more boxcars to move grain, we note that there are cars sitting around the country. On sidings at Perdue, Saskatchewan, for example, some 20 boxcars had been loaded with wheat since December. Cars located at Provost, Alberta, had not turned a wheel for four weeks. Three hundred hopper cars sat in Vancouver during September and October and their alfalfa pellets were not unloaded until November 13. Also, 25 government hopper cars were waiting at Kindersley for seven days for spotting orders; 26 hoppers were sitting at Glenavon, Candiac, Montmartre, Odessa and Vibank for over two weeks before the Christmas holidays; three-quarters of a mile of boxcars were sitting idly at Claresholm for a month, and there was a similar situation at Cayley and Aldersyde; there were 40 cars northeast of Cranbrook which had not moved for a month. Why, Mr. Speaker?

I am not sure that more rolling-stock will solve the problem. I say this is a deliberate attempt by the railways to squeeze the government and the producers, who need to move grain now, into abandoning the Crowsnest pass freight rates; and they are convincing a few people. I remind them and all hon. members that the removal of the Crowsnest pass freight rates will not automatically solve the grain transportation problem. Shippers of other commodities such as fruit, lumber and even the floral people, are complaining that they cannot move their goods adequately by rail, and these items do not come under the Crowsnest pass freight rates. The government has an obligation, and the railways have an obligation to see that the grain is moved. I warn the government and reiterate to the minister that if the government thinks it can open up the hornets' nest of revising the Crowsnest pass freight rates, it will create a situation which will drive every western Liberal into oblivion.

Yesterday we awaited the statement of the Minister of Transport (Mr. Marchand) with great anticipation. He had advised the right hon. member for Prince Albert (Mr. Diefenbaker) in the morning that he would be making a profound statement on transportation policy. The statement was that this government really does not have a policy, has not had one since 1967, and even that one was not good. He admitted that and said they will look at devising a new policy. That was the profound statement that he indicated he was going to make. I reiterate, Mr. Speaker, that the Crowsnest pass freight rates are a Magna Carta to western Canada's farmers. If they are tampered with, we on this side of the House will fight the issue right into the ground.

I want to deal for a moment with the cattle industry, which is in a very serious state. The climate in the cattle industry at the present time, particularly the feeding industry, can only be described as frightening. The flood of U.S. cattle into Canada, resulting in depression of prices coupled with high and increasing input costs, threatens the life of a major Canadian industry. It is a very major industry because the spin-off and the ancillary effects of the cattle feeding industry allow many allied industries to flourish in western Canada. Last year, for example, 128,000 feeder cattle were shipped to the United States for feeding purposes; over 208,000 slaughter cattle were shipped back to Canada. This means, basically, that the Canadian cattle feeding industry has found itself uncompetitive with the United States. Canadians, therefore, are relying on U.S. feedlots to produce much of Canada's beef, resulting in a staggering loss of economic activity in this country. This year, to the end of February, in the order of 25,000 head of slaughter cattle crossed the U.S. border into Canada. It took eight months to reach that figure last year. This gives one some idea of the flood of imported cattle in comparison to what normally occurs.

What are the implications of this situation, Mr. Speaker? To put it simply, it will result in a shortage of beef down the line, and in much higher prices. The following appeared in the Alberta Farm Economist for the winter quarter, 1974:

● (1550)

> In the short run, producers may lose money at times when consumer demand weakens, yet the production level will continue with little variation. However, in the long run, the law of supply and demand will automatically choke off supply if the rapidly rising livestock production costs are not covered by market returns. Livestock and meat prices should be allowed to rise, following the market indicators, and thereby guarantee an adequate meat supply at equitable prices in the future. If livestock and meat prices do not move upward and the major inputs for livestock production continue to yield very lucrative returns to producers, consumers will eventually face a lower meat supply at very high prices.

That paragraph is to be found at page 2 of the publication. In a nutshell it tells us what we can expect if we do not solve this crisis. Last August, when beef prices skyrocketed, the government moved quickly. I urge the government to move as quickly in the present circumstances in order to save this important industry. Today, feeders large and small are losing between $100 and $150 per head. They cannot survive in this economic climate. The government must act with great haste at this time, just as it acted last year, to protect the consumer.

Mr. Jim Fleming (York West): Mr. Speaker, I begin my remarks by extending best wishes to His Excellency the Governor General and to Madame Léger in their new responsibilities. I think it does honour to Canada to have men and women of such calibre representing us. Truly, they are a great example of the excellence which Canada can develop. Being able to say that there are Canadians of that style, calibre and nature to represent us does great credit to this country. I also wish to extend best wishes to the Hon. Roland Michener and Mrs. Michener. I hope they will find happiness and that their time will be more restfully spent.

Following tradition, I extend congratulations to the mover and the seconder of the address in reply to the Speech from the Throne. I do so with special pride for I believe that my colleague from metropolitan Toronto, the hon. member for Spadina (Mr. Stollery), has brought a refreshing approach to this traditional honour paid to him. He has a special insight because of his experiences as a world traveller. I think that because of his perspective, which comes from knowledge of poverty and hardship and of the political systems of people in other countries, he is better able to judge how good or how bad things really are in Canada. I also congratulate the seconder, the hon.

member for Sherbrooke (Mr. Pelletier). It is obvious that his extensive academic background in political affairs has added much to his ability to serve his constituents well.

I perceive three major thrusts in the Speech from the Throne. The first is an effective and sensitive response to the factors of inflation. This is not the most politically easy response, true, and not a simplistic response but it is one that is fitting for our circumstances, one that can work within our system and will help us overcome our problem and help our people generally. It is not a simplistic approach. The simplistic approach has been tried and found wanting. I feel that the sooner the official opposition drops its wage and price control proposal, the sooner it will gain credibility with the people of Canada. Wage and price controls are painful and costly in application, painful and more costly in exercising and most painful and most costly when you try to escape from them. They have been tried in the United States but did not work, as the President himself admitted. They were tried in Great Britain and brought about the worst class confrontation to hit that great nation in many a decade.

Selective and sensitive reaction to the problem is not the easiest way of dealing with it, but it involves the most realistic approach. We have already seen examples of the government's realistic approach in its aid to pensioners. It is all very well to pooh-pooh these government expenditures. It is all very well for the Conservatives to make a great song and dance about amounts contained in estimates and supplementary estimates and to claim we are spending ourselves out of existence. It is those same people who thought they could outdo what the government, the NDP or even the Créditistes want to do. They were the ones who would give the Canadian people more. One day they talk out of the left side of their mouths and on the next out of the right side. When it came to helping pensioners, they talked out of the left side of their mouths, but when it came to estimates they talked out of the right side. Somehow they always seem to talk more easily out of the right side of the mouth.

Aid to pensioners has been increased by more than 25 per cent in the past 18 months. That is not to say that our pensioners will have as much as they deserve, or as much as will enable them to buy some of the luxuries available to people in the labour force today. I admit that we must try to do more. Nevertheless, the government's action shows that a great deal has been done. That expenditure accounts for part of the increase in spending. As I say, the money is to be spent in the months ahead.

The government has also increased family allowances. Surely to goodness, when we are faced with inflation which is world-wide—and this has been said a million times, despite the hearing difficulties of the opposition—it is up to us to help the needy. We have acted by bringing in these increases. Actually, in our first major increase we just about tripled family allowances so that children who are helpless will not suffer and children from poor homes will not be an additional burden. Having done these things, the government in a sensitive and selective way acted to help consumers by supporting the price of bread and of milk, two basic commodities which are essential to the health of Canadians.

[Mr. Fleming.]

The government acted in the field of energy. I will deal with that matter in a minute. Again, in this field there was explicit action in treating Canadians fairly and protecting them from increased oil prices in the world. The Prime Minister (Mr. Trudeau) and the cabinet will, as set out in the Speech from the Throne and in accordance with the commitment given last summer and early last fall, act as necessary and continue to take advantage of our resources in Canada so that we may protect our own people and, especially, protect the defenceless. The government's past actions have again proved that sensitive and selective action is right and that we should not adopt the simplistic formula which has failed both in Great Britain and in the United States. The government said it would follow this course. It has given a public commitment that all the negative stridency of the opposition party cannot hide.

There is a further point in this Speech from the Throne which apparently has been overlooked by the media. The point is that little attention has been given to the pledge or to the commitment of the government that it would consult with the provinces after it had considered a number of proposals. The government gave the pledge or commitment that it would act selectively, which is what brought in pension increases, family allowance increases and protection to consumers. The throne speech says that, particularly under the Ministry of National Health and Welfare, further necessary aid will be coming and that these proposals are still under discussion with the provinces.

So the first thrust of the speech is with regard to selective, sensitive action against inflation, protecting the defenceless and doing our best to help all Canadian consumers. I believe there is a second element or thrust to the throne speech. Measures must now be taken for the long-range protection of consumers across Canada. Nothing is more important than measures taken to encourage our farmers and fishermen to produce more. Because of the boom and bust conditions experienced by these workers in the past, nothing can be of greater assistance to farmers, fishermen and consumers than a stabilization program, especially in general agriculture, including prairie grain farmers.

These measures must not be enacted to be effective for one year only; they must be effective from this point forward. Notice that I said they should include the prairie grain farmers as well. Did I hear members mention that that would involve government action in western Canada? Supplies will be increased, fair farm incomes will be assured and Canadian consumers will reap the price advantages of Canadian produce. All this, much to the political agony of my friends opposite, will develop as this session progresses.

The third thrust of the throne speech has to do with regional disparity and its correction. That thrust does not specifically have to do with DREE. That program, of course, is giving assistance to areas of need such as the Maritimes, the like of which has never before been seen. I might mention, however, that DREE is not a success story in eastern Canada alone. Take the Medicine Hat story. That town is in Alberta, in case anybody has forgotten. DREE grants have been the basis for the development of energy resources and related industry in that city in

Alberta and are bringing it unparallelled success in industrial growth.

● (1600)

The value of building permits in any urban area in a particular year is an indicator of the expansion of the area. In 1971, in Medicine Hat building permits were let in the amount of $889,000. Shortly after that, DREE began to give major assistance. In 1973, that $889,000 total soared to $21 million. The projected amount for next year in Medicine Hat, Alberta, is $150 million.

Coming from an urban area such as metropolitan Toronto, with the environmental problems and urban sprawl problems which we have, I would almost be frightened by such rapid expansion. Never let it be said the government is not attempting to assist in giving very real assistance to all parts of Canada, including the west. No one can claim that either the great resource-maker in the sky or the federal government forgot Medicine Hat. Similar extensive federal aid went to south Lethbridge and Slave Lake in Alberta.

Some hon. members might resent an easterner attempting to discuss the west, but I am concerned as one of those so-called wicked, greedy easteners. I spent some time in Alberta during the recent recess; in fact, in the general area of the hon. member opposite. My purpose was twofold. It was, first, to try to learn of their anger and frustrations. I think we all, as parliamentarians from all sides of the House and all parties, are deeply concerned about any situation that is divisive of our national unity. I was also there to better understand their problems and to express, as too seldom reaches western ears, some eastern problems—if you can convince westerners that we have problems—and some of the great advantages and potentials of their part of Canada as we in the east see and enjoy them.

I noted in Tuesday's *Globe and Mail* a quotation of the words of the Premier of Alberta with regard to the cushioning of rising oil prices in eastern Canada, the government's pledge to do that and to attempt to discuss it with the province. The Premier of Alberta said, "Well, that's Ottawa's problem." I wonder if back in 1961, when the national energy policy was established by the government of Canada, what might have been different if in fact Ottawa had said, "Development of your resources is your problem. Go to it." The federal government imposed regulations forcing Canadians west of the Ottawa Valley to pay more for western Canadian oil than offshore oil—that is, from the Ottawa Valley westward—even though in Edmonton, a few miles from the oil fields, it was more expensive than buying offshore oil.

Eastern problems or western problems, they are Canada's problems and not just Ottawa's problems if equality of opportunity, education or economic well-being are involved. They are not Ottawa's problems translated into a particular government or particular party. It is Canada that has to cope with them. This country cannot survive if the federal government alone must bear the burden and solve the discrepancies in lifestyle across Canada. East, west, central or north, the responsibility belongs to us all as long as any one of us says, "I am a Canadian."

There has been cause for western anger and frustration. I understand it better, having spent some time talking about it in the west with westerners. So did the Prime Minister and his cabinet colleagues because of the western economic opportunities conference. The anger and frustration in the west has built up over many years. You can see it very clearly, not so much when you talk to their leaders, who are very strident in what they tell us is wrong, but when you talk directly to westerners in their own homes. That same anger and frustration, amassed for so long, is now being nurtured by an opposition apparently blind to real progress or unwilling to recognize it because of opportunistic, political motives.

I think we succeeded in showing the rest of Canada the problem and showing the west there is interest here in Ottawa. Surely, if that was done on a raw political base it was a foolish move. If it was done to find solutions it was a good move, despite some political disadvantage to it. For the Prime Minister and the cabinet to go west and face the western press, which has hardly been our best friend over the years, and face at public meetings the leaders of those provinces was a daring, forward and honest move. It was done publicly, openly and on their own ground. There is no cheaper or easier shot these days in the west than to take on the federal Liberals, but is there a time when political stridency hurts more than it helps you politically in a particular party? Is there ever a time when it will hurt anyone else more than those seeking the regress of their long-standing grievances?

It was pointed out at the western economic opportunities conference that freight rates are a major problem in the west. At that conference the Premier of Alberta presented the federal government with 20 complaints of alleged tariff inequities. Over the following months that figure grew to almost 200. Day by day we hear the strident scream that nothing is being done. That conference was held last July. We are intensively investigating 200 different tariffs. If you want answers and some equity in the west because you have been treated poorly, surely you want responsible, proper answers so that the tariffs will be corrected forever in the future. Give the government a chance to look at it properly to analyse what the solution should be.

Estimates of revenues amassed by the 1961 national oil policy, as carried out through the years until a few months ago to help develop western resources, have ranged as high as $500 million. I am willing to admit that one of the problems was that all the money from most of Ontario and points westward went into developing the resources for not only Alberta but for all of Canada. We see the wisdom of that now and are further acting to see that the entire country can be supplied from western resources. The fact is that perhaps there was too much development of the refineries in the east. That situation should be corrected.

Obviously, the west has had real reason to say they have been disadvantaged in developing secondary industry, but judging from the actions of the last day or two by the Minister of Industry, Trade and Commerce (Mr. Gillespie) the pledges and commitments that were publicly made will be met by the government. This situation is in the process of being corrected; there is no doubt about that. Errors and mistakes have been made on both sides over

the years. Alberta accused Ottawa of not consulting. The Premier of that province actually refused at one time to talk to the federal government. At one point he even threatened to sever relations. That is great Canadianism! Yet the same Premier developed the Syncrude plan over many months. He drew up a deal directly involving federal revenues. The Minister of Energy, Mines and Resources (Mr. Macdonald) heard about Syncrude in a television newscast in a hotel room in Calgary.

Canada is blessed with almost unparallelled opportunities. We know that, despite the leering of my friends opposite. We have unparallelled opportunities, and we have a federal government listening to problems in all regions of Canada, especially the west although there is little political advantage to that at the moment. We have these almost unparallelled opportunities through no planning or foresight of our own. Canada—or is it just Alberta and Saskatchewan—is rich in resources; but the maritimes, Quebec, northern Ontario, the Northwest Territories and the Yukon have some real pockets of poverty and regional inequity.

If in practice there have been failures, or at least delays in helping Canada, has the spirit of our nation and its regions ever been "the haves shall have it and the have-nots shall not"? Were government omissions, shortsightedness or insensitivities in the past, at any level, ever a justification for that approach now or in the future? No matter how strident my friends opposite are regarding the past, in the long run who will suffer from a course of confrontation, regionalism or politically fortified frustration? Not the west in this case. Only, and especially, those Canadians who have suffered most all along.

● (1610)

No government in recent times has, with fewer political rewards to reap, concentrated more on seeking solutions to problems and inequities in western Canada. Never before in Canadian history—and I include my own province—has any region stood on the threshold of so much wealth and economic well-being as Canada's west. Before any oil embargo was announced by Arabia, this government volunteered to go into the lion's den and seek out the abcesses. Thus the western economic opportunities conference. It continues pledged and obliged to correct the wrongs of which the west has complained. Surely those pledges would not otherwise have been put so clearly in the Speech from the Throne, and the government would not have gone out west if they had not been prepared to do that. I only hope the pioneer spirit of westerners, of which we hear them speak and of which they are so proud—and so they should be—will make them Canadians first as their fate-found abundance moves them into the forefront of the Canadian economy in the decade ahead. There can be no doubt this is what their position will be.

The inequities in freight rates are to be remedied. Western farmers will prosper on a continuing basis as they never have before. The industrial development of the west will boom, as it has begun to do already, for instance in Medicine Hat, with the assistance of DREE. Over and above all this, the west's abundance of energy assures it of unparallelled wealth. Surely it is a time when Canadianism, not regionalism, should be bursting from them and from their leaders.

[Mr. Fleming.]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I join with others who have preceded me in this debate in congratulating the mover and the seconder of the address in reply to the Speech from the Throne. I propose to deal with one subject and one subject only, and that is Canada's position in the international world.

I note that apart from a reference to the effect of the fuel crisis on the third world, there is no mention in the Speech from the Throne to international affairs. This is perhaps because, it must be acknowledged, international affairs are not the most attractive subject politically. Nevertheless, they are of tremendous importance to Canada. It is obvious that neither Canada nor any other modern nation can live in isolation, and it is trite to remark that the world is getting smaller and increasingly interdependent. Canada's welfare and even her survival depend on peace and security in the world as a whole, and we are bound to pay attention to the subject.

It is said that international affairs should be treated on a non-partisan basis. To some extent I agree with this statement. There are, naturally, many aspects of Canada's international relations upon which Canadians of all parties are in substantial agreement, and in such cases they can and should work together. However, there are very real differences of outlook and real differences in regard to international policy on specific issues. It is, in my view, worth while discussing these differences here.

I propose, therefore, to put emphasis on the points on which there is disagreement between my party, the New Democratic Party, and the present administration. I think it will become apparent that these differences are very real. First of all, I think there is a substantial philosophic difference. The government, in 1970, introduced a series of papers under the general title "Foreign Policy for Canadians." These papers reveal what can only be described as a desire to maintain a low profile in international affairs and a weariness with such activities as peacekeeping and, generally, a reaction against overemphasizing Canada's role.

We recognize, of course, that Canada is not, in terms of military power or influence, a major actor on the international scene. We believe, however, that there are aspects of international affairs in which Canada's leadership is both natural and essential. I refer to such questions as the development of international law in the protection of human rights and in the whole field of humanitarian internationalism.

We share with some other countries an obligation to give leadership. I mention, for example, Sweden, Australia, Holland, West Germany, Norway, Denmark and New Zealand. There are, of course, many countries in the so-called third world which are in a similar position. We have not had, in my view, the clarity, precision, vigour or dynamic leadership which Canada could have given in these fields. There has been lack of a sense of urgency. In my view there is an urgent need to build a world community. The present administration, according to its own declarations, and indeed according to its practice, tends to put emphasis on narrow national self-interest and upon economic growth. For example, we find in "Foreign Policy for Canadians" six ingredients of Canadian foreign policy as follows:

(1) to foster economic growth
(2) to safeguard sovereignty and independence
(3) to work for peace and security
(4) to promote social justice
(5) to enhance the quality of life, and
(6) to ensure a harmonious national environment.

These are described as the six main themes of national policy and no one could quarrel with any of them, any more than they would think of quarrelling with motherhood. But on page 32 of the main pamphlet an effort is made to assign priorities and we find that economic growth is given the highest priority. Social justice and the quality of life are a mention. Peace and security, and sovereignty and independence are somehow placed in some degree of relative insignificance.

Mr. Speaker, we challenge this philosophy. Economic growth may be important, but as a determinant of foreign policy or the highest priority for consideration, we think it is both old-fashioned and wrong to put so much emphasis upon it. In our view, the emphasis should be on peace and security. Canada has no greater interest than in the maintenance of a stable and peaceful world. This, in turn, depends upon the development of a world community and the development of social justice not only within nations but between different groups of nations.

We also place supreme importance upon the maintenance of Canada's sovereignty and independence. Canada should indeed be a good citizen in the community of nations, but the best basis for this would be the preservation of Canada's own sovereignty and independence against threats to that independence not only military but economic, cultural or intellectual. For too long we have borrowed many of our attitudes in international affairs from large countries with which we have been associated by history and geography. For many years we were dependent upon the United Kingdom, and now our dependence is upon the United States of America. To some extent this may be inevitable, but in our view it has gone too far.

Mr. Speaker, I now propose to deal with three or four specific aspects of Canada's foreign policy. These illustrate the differences in outlook which I have outlined. The first of these subjects is development in the third world; the second, the situation existing in Viet Nam; and the third, Canada's relations to southern Africa.

There is no graver issue threatening the stability of the world than the growing disparity between the so-called rich and poor nations. The standards of living and consumption in one-third of the world vastly exceed those in the other two-thirds. The gap continues to grow. Grim poverty and hardship is the fate of large sections of humanity. Indeed, we are told on good authority that there is a prospect of serious famine in vast regions of the world this year. This is a time when the resources of the world are expanding and will expand, and it is a time when the culture of the western world has spread throughout the whole world and aroused expectations. Social justice within countries is based on a measure of equality. Social justice in the world depends upon a measure of equality between different nations and regions of the world.

● (1620)

I wish to mention two aspects of the relations between the developed and developing world. The first is aid and the second is trade, but neither should be considered in isolation from the other. The developed world has failed miserably to make an adequate contribution through aid. No countries, including Canada, have lived up to the standard set by the United Nations and in the Pearson report. This report called for not only a substantially increased volume of aid but also for changes in the nature of the aid given—the untying of aid, the expansion of multilateral as against unilateral aid, and in general the removal of aid from the taint of neocolonialism and self-interest on the part of the developed nations.

Canada, it is true, has made some comparative progress, and although I am sure CIDA is not a perfect institution, I would like to pay tribute to its work. During the course of the last year I visited both Tanzania and Bangladesh and had a chance to see at first hand some of the results of Canadian aid through CIDA. I believe that in these countries, at any rate, Canadian aid has been effective, and is highly spoken of by the recipient countries. However, we still fall below the international standards that have been set. The Pearson report mentioned a target of .7 per cent of the gross national product as a reasonable measuring stick. Canada contributes something between .4 and .5 per cent. Most of our aid is still tied. The greater proportion of it is unilateral.

The need for increased aid is particularly urgent at the present time. The Speech from the Throne mentions that the third world has been especially hard hit by the energy crisis. These countries import oil and other forms of energy, not for recreation or luxury but to keep their plans for development going. The increased cost of energy endangers the patient efforts of countries like India, Bangladesh and Tanzania, to take illustrations only, to reach the point of take-off from which their drive for development can be self-sustaining. All their carefully laid plans which we have supported can be wrecked by the rising cost of energy.

Canada has contributed foodstuffs to various areas of the world but as the prices have moved up, the same dollar value of aid produces a much smaller actual volume. We have to step up our aid in dollar terms if we are to maintain even the existing level. But aid alone is not the key to development, although it may be helpful. The main key is, in fact, the establishment of effective trading relations between the third world and the rest of the world. In the past GATT, UNCTAD and other international efforts to regulate world trade have been dominated by the developed countries. The share of the third world in world trade has dimished rather than increased. The prices of primary products upon which many third world countries rely have been grossly inadequate.

Canada and the other developed nations must listen to the pleas of the third world. They must provide special drawing rights, they must lower trade barriers so far as developing countries are concerned, and they must assist marketing and other methods of expanding trade with the third world. If there is disruption to industry in Canada, then legislation should be passed for adjustment assistance to those affected.

We now pass to the question of Viet Nam. As most members of this House are aware, there exists in Viet Nam at the present time a grave human problem of tremendous magnitude, exceeding in depths of human misery and cruelty anything that is occurring in any other part of the world. There is the clearest evidence that a very large number of political prisoners, over 100,000 in fact, have been subjected to continued detention and inhuman treatment, including torture. We have had before this House a host of reliable witnesses, British, American, Canadian and French. We have spoken to those who have spoken to these prisoners and heard their stories. We have seen vivid and authentic films of young men crippled by the treatment they have received in jails.

A large number of these persons are guilty of no offence except that they have sought peace between the warring factions in Viet Nam. They support neither the present regime nor the PRG or the communists. Their offence is one of neutralism and desire for reconciliation. This issue has aroused the conscience of many Canadians. Most of the members of this House—and I am sure that if the Secretary of State for External Affairs (Mr. Sharp) were here he would confirm this—have received numerous and spontaneous letters on this subject. A group of members of parliament and senators representing the three major parties of this House, most or many of them members of the external affairs committee, have presented a brief to the Secretary of State for External Affairs urging that Canada take the lead in bringing this subject to the attention of the Human Rights Commission of the United Nations for investigation.

We have furnished ample legal authority that in international law this is a proper course to adopt and in accordance with precedent. The minister has encouraged us with expressions of deep interest and has promised to give the matter the fullest possible consideration, but so far he has not come up with an answer. We understand he has been in consultation with other like-minded nations. Our own limited inquiries have revealed that the Italian foreign minister, the Netherlands foreign minister, the Swedish prime minister, the parliamentary secretary to the minister of economic collaboration in West Germany, the West German parliamentary secretary of foreign affairs, and the prime minister of Australia have indicated their deep concern with this problem. If we took the matter to the United Nations, we would not stand alone in our humanitarian concern.

We do not wish to interfere in the internal affairs of another country, but there is no doubt that where there is a consistent pattern of gross violation of human rights—and that condition certainly exists in South Viet Nam—then the international community has a right and an obligation to intervene, not indeed by military methods but by making clear what world opinion is. Even the most authoritarian governments are sensitive to world opinion. This is a case where Canada can give a lead, and I hope the members of this House will indicate to the Secretary of State for External Affairs their hope that the request of the non-partisan committee which has interviewed him on this matter will receive favourable consideration.

I now wish to refer to another aspect of Canada's policies in Viet Nam, and I do this on my own responsibility and not on behalf of the committee, though some members of the committee may agree with me. It is perfectly clear that despite the clear words of the Paris agreement of 1973 calling for the total withdrawal of American advisers and paramilitary personnel, for the negotiation of the release of political prisoners, for the establishment of civil liberties, and for the formation of a national council of national reconciliation and concord, both the Thieu regime and the United States government have disregarded these provisions of the Paris agreement. Indeed, an article from the New York *Times* was reprinted in, I think last Saturday's *Globe and Mail* giving a detailed account of the situation. It indicated as follows:

> The United States, far from phasing out its military involvement in South Viet Nam, has descended from a peak of warfare to a high plateau of substantial support dispatching not only huge quantities of weapons and ammunition but also large numbers of American citizens who have become integral parts of the South Vietnamese supply, transport and intelligence systems.

It may be said that this is a matter for the United States and not for Canada. But what has Canada's position been? First of all, we are talking about increasing our diplomatic representation in Saigon. Secondly, we have completely refused to recognize the PRG which was one of the parties to the Paris agreement and was thereby accorded juridical status amongst the nations. We act as though the PRG did not exist.

● (1630)

As far as North Viet Nam is concerned, we have indeed granted diplomatic recognition but we have totally failed to make that meaningful. Accredited to the Hanoi regime is our ambassador in Peking. He surely has enough to do representing our interests in the People's Republic of China without taking on North Viet Nam as well. In the meantime, we rely for day to day diplomatic contacts entirely on the British ambassador and his staff. So far as I know, we have not even discussed reconstruction aid with the Hanoi regime. Whatever the future of Viet Nam may be, it is highly probable that the authorities now installed in Hanoi will have something to say about the future of that country. It really does not make sense for us to play favourites with the authoritarian and unstable regime at Saigon and ignore in practice both the North Vietnamese and the PRG.

There is another aspect of this matter, and that is that the Saigon regime is deeply dependent upon the United States and outside aid to be able to maintain its present system of repression and continued war. International institutions, in which Canada has a part, will be called upon to extend aid to South Viet Nam, if they have not already been called upon. There have been reports to the International Bank for Reconstruction and Development—incidentally, the reporters went nowhere except to Saigon and got all their information from the people there—and it is possible that the World Bank and many other institutions will be called on in a deliberate plan to get the rest of the world including Canada to finance the maintenance of the present regime in Saigon.

The immense, terrible war damage in all parts of Viet Nam cannot be repaired until the terms of the Paris agreement are accepted by all sides. Canada was one of the signatories to the final act of the International Confer-

ence of Guarantees of the Implementation of the Paris Agreement. We have assumed responsibility in this field and I suggest it is time we showed some responsibility.

I now turn to the last subject I want to discuss, and that is South Africa, a key area in the whole future of the world. Canada, consistent with its ambiguous stance as announced in its foreign policy papers has supported UN resolutions which condemn Portuguese colonialism, apartheid in South Africa and the illegal regime in Rhodesia. The government policy papers are abundantly clear—and the Secretary of State for External Affairs (Mr. Sharp) has spoken in this vein himself—about the moral revulsion felt by Canadians toward these racist regimes. Canada's actions have been very different from her rhetoric. Canada has aided and assisted the development of trade relations with South Africa and Angola. Canada still extends to South Africa a preferential tariff, supposedly based on membership in the Commonwealth many years after South Africa left the Commonwealth on the very issue of racial policies.

Canada has failed to give adequate recognition to the liberation movements in Angola, Guine-Bissau and Mozambique whose populations are fighting for freedom. Some people talk about them as terrorists, but I suggest they are not more terrorists than any other people fighting for liberation and freedom in their countries, and these people occupy in most instances the greater part of the area of their countries and have the support generally of the international community.

In 1972, I think in December or November, Canada supported a resolution in the United Nations which recommended—this is an almost literal quotation—that all governments render to the people of those countries, and in particular to the populations of the liberated areas of those territories, all moral and material assistance necessary to continue their struggle for the achievement of the inalienable right to self-determination and independence. Canada, with 97 other nations, voted for this resolution. I suggest we committed ourselves to it. It is true that the Canadian delegation then proceeded to explain away its support for that resolution with reservations and qualifications.

Recently, the Secretary of State for External Affairs announced that Canada would in fact give, through CIDA, non-military support to non-governmental agencies, one of which is the World Council of Churches, which were assisting the development of those areas which have been liberated from colonial occupation. There were a few critical editorials and letters to the newspapers which seemed to have caused this government to hesitate. I hope this hesitation amounts to a mere tactical retreat and that the government will stick firmly to its announced determination. I suggest to do otherwise would be to signal to the people of Africa and to people throughout the world that there is no consistency between our words in the United Nations and our actions, and it would indicate that in the struggle for freedom Canada is neutral.

We should take such practical steps as withdrawing trade commissioners from South Africa and Angola, as trying to persuade Canadian companies with investments in that area not to exploit the apartheid practices prevalent there, and we should withdraw the preferential arrangements with South Africa and give practical but non-military aid to those liberation movements.

There are other subjects I should like to pursue, as obviously international affairs range pretty widely, but time does not permit me to do so. However, I should like to make one reference to the fact that, despite the contempt that is sometimes heaped upon the United Nations and despite the disillusionment expressed by this government in its foreign papers with peacekeeping forces, the UN and its peacekeeping forces constitute an essential element in the maintenance of precarious peace in the Middle East.

The views which I have expressed may be thought to be idealistic. Personally, I am not afraid of that word. Unless our international policies are at least tinged with idealism, we will condemn ourselves to futility. I understand that the foreign policy of any country must be based upon self-interest, but that self-interest should be enlightened self-interest. I think enlightened self-interest in fields of development, in our relations with Viet Nam and in our relations with South Africa requires the policies I have outlined.

In closing, let me assure the government and this House that more and more people, and I include among them particularly young people and church people, are in fact deeply concerned about these issues and look to the government for the leadership they have not received in full measure in the past.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should first like to join my leader and other colleagues in the House in congratulating the mover and the seconder of the address in reply to the Speech from the Throne. I think they undertook this duty in commendable fashion. I was very pleased to be here to listen to their speeches. I did not agree with everything they said; none the less, I thought they carried out their duties extremely well.

I listened with great interest to the speech delivered today by the Postmaster General (Mr. Ouellet). I was very heartened, in fact I was absolutely delighted, to hear him open his speech, as so many other members have on the other side of the House, by attacking the Leader of the Opposition (Mr. Stanfield). If there is any great sign for optimism in our party, it is the fact that members on the government side have not exhausted their energies in attacking the opposition, and I for one want to express my thanks to the Postmaster General and others who have contributed.

● (1640)

I say to the Postmaster General that rather than extoll all the virtues of his own leader, of which I would not call him the most unbiased judge, I would suspect that he should have expended his energy, or the natural gas he exuded in this House, in improving the performance of his department which has perhaps the most disappointing record of any Post Office Department of any democracy in the world and, more than that, has among its staff perhaps the lowest level of morale since confederation. So I think that perhaps if he extended the same amount of energy to those things as he did in extolling the virtues of his leader, there might be great improvement. I do not wish to denigrate the hiring practices of the Postmaster General, but I

want to underline the fact that the undermining of his department commenced notably the day the former member for Lanark-Renfrew-Carleton became his executive assistant.

Then I listened to the hon. member for York West (Mr. Fleming) speak about the income stabilization program. I listened to him speak about the pain and cost of it all, and how the selective program, which is really backing into the control program of the government, is so much better. As I heard him extoll the virtues of the government's program and fight against inflation, I was reminded and perhaps the House was reminded of some startling statistics. For instance, the average Canadian worker has lost $5 a day in the past 12 months in purchasing power, due to inflation. His wages have declined since September and have remained virtually static since last April, in terms of purchasing power.

Food which cost $15 last year now costs $17.50. A house which cost $29,600 last year now costs $31,680. Clothing which cost $134.70 last year now costs $144.80. Canada Savings Bonds purchased in 1972 for $1,000 now have a purchasing power—and, mind you, this includes accrued interest—of only $959, a $41 loss in respect of what is supposed to be a gilt-edged security. The interest on it is taxable, in addition. Sales of Canada Savings Bonds have dropped sharply over the past year.

Here is another litany of failure. In 1972, Canada's annual cost of living increase rate was 5.1 per cent. It is now increasing at the rate of 9.1 per cent. The greatest monument of all was the announcement not too long ago that contributions by employers and employees to the unemployment insurance program had to be increased by 40 per cent—and this does not say how much is coming in from the public sector. Let us not have any comment from the government benches about the pain and cost of an economic stabilization program. Rather, I think we should listen to the Canadian people who pay the cost of what I can only call administrative slothfulness on the part of this government.

Mr. Speaker, as you are aware, I have the honour to represent in this House many people employed as public servants, employed by Crown corporations and agencies and by the armed forces of Canada, as well as their wives and children. I do not like to have to raise this matter, but as a result of the move to identify, and ultimately designate, positions in the public service as bilingual I have received more mail and telephone calls than on any other subject since I came here, including capital punishment. From the tone of these letters and telephone calls it is alarmingly evident that the difficulty of implementation of a policy of bilingualism in the public service that was to be overcome by the guidelines approved by parliament has in fact become more intense and as a result I believe the morale of the public service is being seriously undermined. I say to you, Mr. Speaker, that the service is being damaged as a result.

The tragedy of this impairment of morale is that it is happening in a service which, to their everlasting credit, has by and large accepted the principles of the Official Languages Act. Like most Canadians, they saw those principles as the instruments by which Canadians would be able to receive and obtain service from the federal government in both languages, and on that basis they were prepared to accept that as time went on the service would develop an increasing capability to work or communicate in both languages. It was not intended or expected by any reasonable person that 100 or so years of Canadian history would be changed in the public service or anywhere else in the short period of ten years; it was intended to be a process of evolution.

The difficulties and the anxieties which have been communicated to me arise from two aspects. The first is the mistake of setting a deadline of 1973, in the first place, now substituted by a deadline of 1975 which in terms of the volume of positions is impossible to meet. On top of this impossibility is piled an additional burden. The 1976 deadline was established for an estimate of 25,000 bilingual positions. Now, to everyone's disbelief, the President of the Treasury Board (Mr. Drury) finds himself to have been about 100 per cent wrong: the true figure is close to 50,000. Once again, the minister finds himself among the growing number of ministers who are 100 per cent wrong.

Mr. Speaker, to find the true measure of the volume that this figure of 50,000 represents we have to consider the number of persons who will go on the courses and fail, and the number who will have to be trained in their places and, as well, the vacancies that will be created by retirements which will also have to be filled. Even if the designated positions amount to less than 50,000, I venture to suggest that the training program will be among the most costly since confederation, and there are grave doubts that its objects can be realized. I suggest that the only way it could possibly be done would be to consciously recruit an abundance of Canadians who were bilingual on entry into the service, or to water down the requirements of proficiency so that a great number of graduates would be no more than statistically bilingual. The one is discriminatory and the other is a flagrant waste of public funds.

The real flaw is the emphasis that this government has chosen to place on the implementation procedures. They have chosen to emphasize the secondary object of the program, namely, communication with the service, to a greater degree than the first object, which is the ability of the public service to communicate in the official languages with the public. With regard to that, I say to you, Mr. Speaker, in the presence of the President of the Treasury Board, that the government has put the cart before the horse. As a result, the pace of implementation has assumed revolutionary proportions. The cost in monetary terms, if the truth is ever ascertained, will be astronomical, and in human terms I suggest it will be beyond measure. Public servants feel themselves compressed into an impossible time-frame. They see careers endangered and they see advancement threatened. This is in fact happening in the public service today.

● (1650)

The basic and primary intent of the Official Languages Act is being ignored. The grandfather clause, as stated by Mr. Pearson in this House, is being overlooked. Pressure from the Treasury Board—in fact some have described the President of the Treasury Board as the platoon sergeant in this enforced march—have led us to excessive designation in terms of need, and I say with all the force of conviction I can muster that the time has come to recognize and face

up to the excesses in a program that is causing anxiety to public servants, incalculable expense to taxpayers and is slowly but surely shaking the faith and lowering the morale of those who have dedicated their lives to the public service.

Consider how foolish it is, Mr. Speaker, to establish a goal that cannot possibly be accomplished with a time-frame that is itself unrealistic. This government is blindly on the road which is likely to lead Canadians to the point where they will have the worst of both worlds. What has been trumpeted as a program to "institutionally bilingualize" the public service has become a program to bilingualize the public servant, and we should get back to first principles very quickly.

As I have said before, and I say it again, the policy of bilingualism means that within the limits of practicability Canadians should have the right to federal government service in either official language. We should continue to search for equality. There ought to be a commitment to equality. We must not forget that entering the public service and advancing within it must be based on equality of opportunity for all Canadians. Every member of parliament has a duty to ensure that the public service is a place where Canadians can work together. All members, not just those who represent ridings with public servants in them, must ensure that the public service is a place where justice is not only done to every public servant but where it is seen to be done.

We must never forget that bilingualism involves the right to be unilingual, and that right applies to both English and French-speaking Canadians. There was a very heavy burden on this government with regard to the public service of Canada. It is a matter of history and record that the government failed with respect to that burden. On June 4, 1973, I joined with my leader in asking the government to go the second mile with public servants and put the so-called guidelines into law. The government has not done so, and in fact every one of the members of the government voted against that proposal. So much for their commitment to justice!

Nothing that has happened since that time has led me to any other conclusion than that this was the first step, that it was right then and that it is right now. There would be the assurance of an independent, trusted tribunal, which there is not now, and all of us would be assured that there would be no order, directive or regulation issued contrary to the law and, if there was, then important rights could be preserved and protected.

I believe that the time has come to review and reassess the basis of the procedure of implementation and the process of designation. This must be undertaken, not on some mystical quota system that does not square with the facts, or on some unscientific or subjective basis, or on the basis of pressure, whether subtle or otherwise, but on the basis of an examination of the real function, need and requirement for capacity of a bilingual nature based on a study of each position in each department and in terms of the requirement to give service. It would have to be recognized that the scope of this requirement would vary from department to department, but I believe that that is the real meaning of institutional bilingualism.

As part of a new approach to the problem of implementation, it goes without saying that the revolutionary aspect must be recognized as unreasonable and unacceptable. This means, of course, that we must end once and for all time-frames which have thus far been unrealistic and which as a result impose a coercive element upon the public service that is neither conducive to learning nor to anything else except resentment. This leads to pressures that are equally non-conducive to learning. Moreover, there is a growing feeling that the present procedure may be injurious to opportunities because superiors, who have a responsibility throughout all of this to get work out, are developing a noticeable tendency to fill the job with someone who does not need to go off on language training.

In this approach we would have to admit that the requirement for bilingual public servants would be reduced in the numerical sense, but I am willing to bet that the quality of the bilingual capacity and the desire to achieve that capacity among public servants would increase, and for the right reasons. To foster this desire the government, I believe, would be bound to provide language training. Most important, the public service would be a place which all Canadians would find attractive to work in and many of the anxieties and fears would be removed. I do not regard this as breaking faith with the principles of the Official Languages Act. Rather, I believe that the proposal is supportive and, moreover, that it is positive. These proposals are not intended to be exhaustive but, rather, to make a new beginning.

I want to make it clear that the Treasury Board, or any member of the government or of this House, ought not to be insensitive to the feelings of the public service of the country. For a start, all of us must face up to the fact that a new attitude is needed, because the pebble of insensitivity that was dropped into the pool has caused waves of misunderstanding that have travelled a fair distance and they will not go away because some members choose to ignore them.

In the few moments that I have left I want to turn to another subject which is important in this area, and that is the relationship of the people who live in it in terms of their local government and its relationship with the federal government. That relationship is best expressed to us in this area through the workings of the National Capital Commission. I am happy to say that of all the commissions and agencies of government, this commission and its workings are beyond the matter of party politics and dissent. I want to commend the government on its choice of a new chairman for the commission. He has held the office for some time. I have heard him speak, I have talked with him and I have come to know him. I believe he bears within his soul and heart the attitude of compromise that will make all the difference in the relationship between the federal government and local government.

However, it is important that there be a sound and strong contact between the two levels of government. I would hope the government would consider taking up with the National Capital Commission and, between the two of them, consider the appointment to the commission of the chairman of the Outaouais regional municipality board on the Quebec side, and of the chairman of the regional municipality of Ottawa-Carleton on the Ottawa

side. I think there has been a good relationship between the two governments on the staff side, but the relationship has not been as sound and as continuing as it might be on the policy side.

I put forward this suggestion, which I made in the first speech I delivered in this House, for the government to consider because I think it is important that, with respect to the long-range aims of both governments, firm consideration be given to it. I think it is also important that, being the largest land owner in the area, the federal government should understand that it does have a responsibility through the National Capital Commission, and perhaps through the Minister of Public Works, to ensure that the land use plans which are developed for federal lands, in the minds of federal planners, do not collide with the work of local municipalities. I hope that through this step there is machinery to bring that about.

● (1700)

The Ottawa area is one in which there is an opportunity; in fact, where it is not too late for us not to make the mistakes that have plagued other areas and the larger cities in Canada with respect to the tendency that has been demonstrated to pack more and more people into fewer and fewer acres of land. I join with the hon. member for Ontario (Mr. Cafik) in asking the government, over the long haul and in co-operation with the departments, to take a good look at the concept of development of centres of population around existing small towns which have at their root now the social and other amenities which are necessary for a reasonable life in an urban setting, rather than to continue the packing of a diminishing amount of land with larger and larger populations. This would involve the development of inter-urban transportation of a rather sophisticated nature. It would also improve the lifestyle of people not only in existing municipalities that are overcrowded, but perhaps existing municipalities on a smaller scale to which variety might be of benefit.

Now I want to speak about a problem that is close to you as well as to me, Mr. Speaker, and that is the problem facing eastern Ontario farmers today with respect to brucellosis which seems to have broken out in the county which you represent and the one which I represent. We must look at this problem very closely and we must have the courage to decide whether the government program with respect to it has worked. If it has not, we must admit it, and where it has not worked in respect of the individual farmer we must recognize the great difficulties placed upon him in a market where costs are high and returns small. He must be provided with compensation for animals that become more and more valuable, to the extent that compensation is less and less a consideration. Such a program would have to be developed in co-operation with provincial governments, but it is important that it be done because every herd that goes out of existence in the milk producing areas of eastern Ontario will not be replaced and our targets of food production will not be met.

Mr. Speaker, I thank you and hon. members of this House for the indulgence given me with regard to the clock. It is an honour for me to take part in this debate. In closing I wish to extend to you my best wishes and hope that you enjoyed the opportunity for rest provided by the recent recess of parliament.

[Mr. Baker.]

Some hon. Members: Hear, hear!

Mr. Drury: Mr. Speaker, I would ask the unanimous consent of the House to revert to motions in order to propose a motion in relation to next week's business.

Mr. Speaker: Order, please. Is there agreement to revert to motions?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

REINTRODUCTION AND DISPOSITION OF BILLS, RENUMBERED C-5 AND C-6, RESPECTING CANADIAN NATIONAL RAILWAYS, AIR CANADA AND THE NATIONAL PARKS ACT

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, there have been negotiations through the usual channels, and I should like to propose a motion to give effect to the agreement announced in the House on January 11 whereby the CNR financing and guarantee bill and the national parks bill are to be restored at the report stage. In the case of the CNR bill there is attached to the motion the recommendation of His Excellency the Governor General. I would assume, in accordance with our procedures, that this recommendation will be printed in today's *Votes and Proceedings*.

[*Editor's Note: For recommendation referred to above, see today's Votes and Proceedings.*]

Mr. Drury: I move, seconded by the hon. member for Papineau (Mr. Ouellet):

That, notwithstanding the provisions of any Standing Order or practice of this House, the version of the bill intituled "an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway company and certain debentures to be issued by Air Canada," as reported with amendments from the Standing Committee on Transportation and Communications during the first session of the twenty-ninth parliament, and the version of the bill intituled "an act to amend the National Parks Act", as reported with amendments from the Standing Committee on Indian Affairs and Northern Development during the first session of the twenty-ninth parliament, be deemed to have been introduced, read a first time, ordered to be printed, read a second time, referred to and reported from a standing committee, and that the said bills be ordered for consideration by the House at the report stage on or after March 8, 1974.

Mr. Baker: Mr. Speaker, on behalf of the opposition, we concur in the motion of the President of the Treasury Board (Mr. Drury). It is agreeable to us.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the President of the Treasury Board (Mr. Drury) is quite correct in his statement that there have been discussions leading to the presentation of this motion, and on behalf of the New Democratic Party I wish to indicate our agreement.

I should like to point out, however, that one of the understandings was that certain commitments that the Minister of Indian Affairs and Northern Development (Mr. Chrétien) made to the committee that dealt with the bill last session would be implemented. The one that is of particular interest and which was spelled out in the committee was that at the appropriate stage, either at the report stage or at third reading, there would be agreement to the presentation of an amendment which would have the effect of deleting from section 6 of the National Parks Act the reference to the expropriation of the lands of Indians.

I might say, Mr. Speaker, that this has been fully discussed and agreed to by those who are interested and concerned. It was felt, however, that the agreement should be on the record at this point. On that basis we are prepared to support this motion.

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

Motion agreed to.

At 5.09 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 11, 1974

The House met at 11 a.m.

[*Translation*]

PRIVILEGE

MR. WAGNER—OBJECTION TO CERTAIN REMARKS BY POSTMASTER GENERAL

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I rise on a question of privilege concerning certain comments of a discriminatory and defamatory nature made in this House Friday afternoon by the Postmaster General and repeated by him outside this House during the entire weekend. These comments appear on pages 332 and 333 of *Hansard* for March 8, 1974, in particular.

Because an hon. member on this side of the House dared to ask for explanations, for his own information, on certain dealings presumably to the advantage of the Quebec provincial Liberals, the minister took this to be an insult to French Canadians in Quebec.

Like has often been the case in the past, the minister did not hesitate, by referring to matters of racial prejudice, to generalize his statements in order to sully all the members of the official opposition, including the hon. members for Brome-Missisquoi (Mr. Grafftey), Joliette (Mr. La Salle), and Saint-Hyacinthe (Mr. Wagner).

The minister conveniently forgot to mention the ardent campaign which the Liberal member for Matane fought in order to denigrate the Drapeau administration, to undermine the work of COJO authorities and to prevent the holding of the Olympic Games, and in the case of which no one, either on this side of the House or on the other side, had the slightest wish to pretend that the Liberals are against the French Canadians and always have the odd greenhorn to sully people, to parody the words used by the minister and reported on page 333 of *Hansard*.

Mr. Speaker, racism of whatever type has no place in this House or in this country and the comments of the Postmaster General are saturated with it.

In rising on a question of privilege as a member of the official opposition, I demand to the Postmaster General to have enough principles and courage to react as a gentleman and state that his comments were exaggerated. Otherwise, I will have no other choice than to believe, as millions of other Canadians, that elections will soon be called and that the narrow-mindedness so often shown by the minister will become for the Liberals a way to save their skin, as they think.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in the absence of the minister—

Mr. Speaker: As the House knows, when a member is involved in a question of privilege, he has the opportunity, if he wishes so, to answer briefly, to enable the Chair to determine whether there is a *prima facie* case of privilege. I doubt whether the right to answer can be assumed by another member on behalf of the one now involved. Moreover, I think that the Postmaster General is in the House.

Hon. André Ouellet (Postmaster General): Mr. Speaker, I understand that my remarks may have caused a certain anxiety to the hon. member for Saint-Hyacinthe (Mr. Wagner). If he has personal recriminations against Mr. Desrochers or if he has some evidence against that man to support the charges of the member for High Park-Humber Valley (Mr. Jelinek) which I believe to be baseless, he should state them and they would be considered.

However, I think I know why he may have grievances against that man and I think that the hon. member's feelings ought not to prevail in a matter as important as the Olympic Games. I hope the Leader of the Official Opposition (Mr. Stanfield) will consider my recommendation and appoint someone to talk on behalf of his party concerning the Olympics, someone who has more common sense than—

Mr. Speaker: Order.

ROUTINE PROCEEDINGS

[*English*]

Mr. Speaker: Presenting reports from standing and special committees. Motions. Introduction of bills.

Mr. Haliburton: On a point of order, Mr. Speaker, I apologize to the Chair, but when you called motions you proceeded so rapidly that I missed the opportunity to propose a motion I had prepared. I would hope we might revert to motions so I could do so.

Mr. Speaker: The hon. member's motion is a little late. However, if hon. members agree, certainly there will be no difficulty about reverting to motions to allow the hon. member to put his motion. Is it agreed?

Some hon. Members: Agreed.

Mr. Haliburton: Mr. Speaker, I thank you and hon. members.

Customs Act

● (1110)

FISHERIES

ILLEGAL CATCHES BY UNITED STATES FISHERMEN ON BROWN'S BANK—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, I wish to present a motion of urgent and pressing necessity under the provisions of Standing Order 43. It is one which is indeed of urgent and pressing necessity in my area of this country. It arises as a result of the ICNAF agreement which was reached in July 1973 and which was thought by Nova Scotia fishermen to protect a defined area known as Brown's Bank from fishing during a defined time of the year. In the last few weeks United States fishermen have been fishing in that area during the restricted period. I therefore move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House direct the Secretary of State for External Affairs to promptly intervene with the United States government in order to request the immediate withdrawal of United States nationals fishing in the area of Brown's Bank, a protected area under the ICNAF agreement and, further, that this House direct the Standing Committee on Fisheries and Forestry to convene within 24 hours to investigate fully the circumstances which have led to a situation where Canadian fishermen are the only group legally prohibited from fishing in an area lying within 200 miles of our coastline.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, ADMINISTRATION AND OFFENCES

Hon. Herb Gray (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-7, to amend the Combines Investigation Act and the Bank Act and to repeal an Act to amend an Act to amend the Combines Investigation Act and Criminal Code.

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

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CUSTOMS ACT

EXTENSION OF JURISDICTION TO OUTER LIMITS OF TERRITORIAL SEA

Hon. Robert Stanbury (Minister of National Revenue) moved for leave to introduce Bill C-8, to amend the Customs Act.

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

[Mr. Haliburton.]

[*Translation*]

YUKON, NORTHWEST TERRITORIES AND CANADA ELECTIONS ACT

AMENDMENTS RESPECTING COUNCILS AND ELECTORAL BOUNDARIES

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-9 intituled "An Act to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act".

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

[*English*]

Mr. Speaker: May I suggest that the numerous Public Bills standing in the name of private members be allowed to stand at this sitting. Is this agreed?

Some hon. Members: Agreed.

* * *

PUBLIC ACCOUNTS

REFERENCE TO STANDING COMMITTEE

On the order: Government notices of motions:

March 8—The President of the Privy Council—That the Public Accounts for the years ending March 31, 1972 and March 31, 1973 and the reports of the Auditor General thereon, together with the evidence adduced by the committee while considering the said matters in previous sessions of Parliament, be referred to the Standing Committee on Public Accounts.

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

* * *

[*Translation*]

HOUSE OF COMMONS

REFERENCE OF SYSTEM OF READJUSTING REPRESENTATION TO COMMITTEE ON PRIVILEGES AND ELECTIONS

On the order: Government notices of motion: March 8, 1974—The President of the Privy Council moved:

That the system of readjusting representation in the House of Commons, including the method of determining the number of Members for each province established by section 51 of the British North America Act, be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: This notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the House, pursuant to Standing Order 21(2).

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

CONSIDERATION BY CABINET OF PROPOSALS FOR NEW NATIONAL POLICY—CONSTRUCTION AND RENOVATION OF BOXCARS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Prime Minister. Last Thursday the Minister of Transport told the House that Canada does not have a real transport policy for the future and at the same time indicated he will seek the authority of cabinet to elaborate a new policy. Can the Prime Minister now tell the House if the Minister of Transport has in fact made proposals to cabinet for a new transportation policy? If so, is the cabinet presently discussing this matter and what are their feelings in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, we are discussing elements of a new transport policy. The minister is in British Columbia today discussing with the four western transport ministers various elements of that policy.

Mr. MacKay: I thank the right hon. gentleman for his answer. Having regard to the fact the Minister of Transport stated on the same day that the federal government will try to build more railway cars to carry lumber, coal and western wheat, and as it now appears that the CPR and the CNR have refused a request by the federal government to construct and renovate some 4,000 boxcars, will the Prime Minister consider changing the transport policy and ordering the railways to comply with the directive of the federal government?

Mr. Trudeau: I do not know on what rumour the hon. gentleman is basing his question. The least I can say about it is that he is badly informed.

Mr. MacKay: I am basing my question in part on a report in today's issue of *Le Devoir*. I should like to ask the Prime Minister whether he agrees with the statement made by the minister that Canada has everything to have fun with in rail transportation but has no policy in this regard? Does he agree with that statement?

Mr. Trudeau: Mr. Speaker, I think this is a proper description of the opposition's situation.

ACTION TO PROVIDE FREIGHT CARS IN LIGHT OF POSITION OF RAILWAYS

Hon. Robert L. Stanfield (Leader of the Opposition): In view of the statement made by the Minister of Transport in the House last week that the railways do not want to buy cars to carry wheat and "even if they were paid I doubt that they would do it", can the Prime Minister indicate to the House what action, if any, the government proposes to take with a view to seeing that railway cars are provided?

Right Hon. P. E. Trudeau (Prime Minister): The Leader of the Opposition will have gathered from my earlier answer to his colleague that the rumour was untrue and therefore, if things are being done, they will be announced in the proper manner.

Mr. Stanfield: Is it the view of the Prime Minister that a statement made in this House is simply a rumour—a statement by the Minister of Transport?

Mr. Trudeau: I was not referring to the statement by the minister. I was referring to the incident of the boxcars to which the Leader of the Opposition is obviously referring.

Mr. Stanfield: My question related to the supplying of cars and to the statement by the minister in the House that the railways would not provide them and would not do so even if they were paid. In view of that statement by his own minister, I ask the right hon. gentleman whether any action is being taken by the government and, if so, what?

Mr. Trudeau: Yes, Mr. Speaker, there is action being taken by the government. In answering the first question I said that the nature of this action will be announced. Elements of it are being discussed today with the four western transport ministers. I think that if they were not being discussed the opposition would accuse us of proceeding by confrontation and not by way of discussion.

Mr. Speaker: Order, please. There appears to be great interest in this matter and a number of members are seeking supplementaries. Perhaps we might try to complete the first round of questioning, after which I will see the hon. members for Vegreville, Saskatoon-Biggar, Humber-St. George's-St. Barbe and others.

* * *

INCOME TAX

MANUFACTURING AND PROCESSING INDUSTRIES—INTENTION OF GOVERNMENT RESPECTING CONTINUATION OF REDUCTION IN RATE AND RAPID WRITE-OFF PROVISION

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Finance based on the very striking increases in profits of corporations in this country, including those in the manufacturing and processing industries. Is it his intention to continue the income tax cut in favour of manufacturing and processing industries and, further, does he intend to continue the rapid write-off provision which he gave them last year?

Hon. John N. Turner (Minister of Finance): I shall be submitting an interim report by March 31, as I undertook to do, upon the preliminary effects, as seen at this stage, of the manufacturing and processing corporate tax cuts but will leave it to parliament to evaluate them. But I restate my intention, that I interpret the corporate tax cuts in the manufacturing and processing fields as medium and long-term structural changes meant to encourage increased capacity, meant to encourage, by way of that increased industrial capacity, more jobs. I am glad to say to the House, as I said the other day, that last year there were 110,000 new jobs in manufacturing, 8,000 more than in the six previous years put together.

● (1120)

Mr. Lewis: Mr. Speaker, we will look at the report which the minister says he will table before the end of the month, but may I ask the minister what evidence he is gathering other than the self-serving and biased questionnaire which he sent to the corporations? What other independent survey had he made of the situation resulting from his immense tax concessions?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that survey was designed by Statistics Canada without any input from myself. When I table that report I will not have seen it previously, and I have made it a point not to see it previously. But I think the questions in that questionnaire will bear scrutiny on any statistical basis that the hon. member wants to attach to them. I just ask the hon. member, when the survey is submitted, to look at the questions as they read and to judge the responses as they are.

Mr. Lewis: Mr. Speaker, I do not quite know how the Minister of Finance expects a firm to tell him that they did not benefit from these goodies, but we will certainly look at the questions and answers. May I ask this question of the minister. In view of the fact that the largest part of the tax loss to the Canadian people was in the fast write-offs, about twice as large as from the tax cut, is the minister intending to continue these fast write-offs for equipment, which cost the taxpayer over half a billion dollars, and will he be prepared to have them reconsidered by parliament at the same time as the tax cut can be considered under a provision of the law?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, in calculating whatever the cost was to the Canadian people the hon. gentleman ought not only to take the gross effect of the cuts but should net it out with additional activity which brings in more tax and additional jobs which also bring in more tax. I think the hon. gentleman ought to consider as factual evidence the increase in jobs last year in the manufacturing and processing sectors, continuing into this year. There has also been a tremendous increase, some 46 per cent, in capital expenditure intentions. That was the purpose of the tax cuts, and—

Mr. Speaker: Order, please.

Mr. Turner (Ottawa-Carleton): —the purpose in being fulfilled.

* * *

[*Translation*]

AIR TRANSPORT

FUTURE MAINTENANCE OF BOEING 727 PLANES IN WINNIPEG—REPRESENTATIONS BY MONTREAL MACHINISTS TO MINISTER OF TRANSPORT

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, since the Minister of Transport is absent, I wish to put my question to the right hon. Prime Minister.

Last week, representatives of the machinists unions of Montreal met the Minister of Transport concerning maintenance of future Boeing 727 in Winnipeg. Can the Prime Minister say whether discussions have in fact taken place in this regard and, if so, what will be the answer of the cabinet?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I had the opportunity of indicating a moment ago, the Minister of Transport is in British Columbia at the present time, where he will meet the ministers of transport of the four western provinces. He did not report to me the meetings mentioned by the hon. member, but I shall bring the matter to the attention of the excellent parliamentary secretary to the minister. He will surely take action.

* * *

[*English*]

TRANSPORT

REQUEST FOR REINSTATEMENT OF RAILWAY PASSENGER SERVICE IN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is supplementary to that of the hon. member for Central Nova. In view of the fact the Minister of Transport has admitted that past national transportation policy is worthy of criticism, and in view of the fact one of the most critical areas has been removal of rail passenger service in Newfoundland, would the Prime Minister consider in cabinet reinstating this very important service to Newfoundland?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take it this is a representation to the minister and I will convey it to him on the hon. member's behalf.

POSSIBILITY OF AMENDMENTS TO NATIONAL TRANSPORTATION ACT AFFECTING PRINCIPLE OF COMPETITION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. Having regard to the statement made in the House last week by the Minister of Transport to the effect that in his opinion the fundamental principle of competition in working out an over-all and comprehensive Canadian national transportation policy was wrong, is it the intention of the government to bring forth amendments to the National Transportation Act since competition is the basic principle upon which that act is founded?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can only repeat what I said in answer to the first question this morning, that the minister is bringing elements of a review of that act before the cabinet. It is certain that the over-all philosophy of the act which he was criticizing, the National Transportation Act of some years ago as adopted by this parliament, is something which is not only being reviewed but being questioned certainly by many of the premiers of the western provinces. It is in response to this that the minister made his speech and in response to this that he is reviewing that act.

EMERGENCY PROGRAM TO PROVIDE RAILWAY CARS TO MOVE GRAIN TO MEET EXPORT COMMITMENTS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question to the Prime Minister. In view of statements by the Chief Commissioner of the Canadian Wheat Board that our export position is in danger and that we may not be considered reliable suppliers because of the transportation situation, can the Prime Minister tell the House whether the minister or the Department of Transport has in hand an emergency program to supply the necessary transportation to move our grain to export?

Right Hon. P. E. Trudeau (Prime Minister): As I tried to indicate in my previous answers, Mr. Speaker, the minister is bringing forth to cabinet certain proposals relating to railway cars, and I indicated that this would be announced in the proper way.

Mr. Gleave: In view of the fact the statement by the Minister of Transport did not really deal comprehensively with this matter, may we have some assurance that the minister will at an early date make a statement on motions indicating how he or his department is going to deal with this emergency situation?

Mr. Trudeau: Mr. Speaker, the minister dealt at some length with this matter just a few days ago. If the hon. member wants him to deal with other aspects I am sure there will be many other occasions to do so—at the time of consideration of his estimates, on opposition days, or at the time of the minister's own action or announcements in the days and weeks to come.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for St. John's East for a last supplementary question on this subject in view of the fact that we are still on the first round of questions. Following that, the Chair will see the hon. member for Cape Breton-The Sydneys.

STUDY BY TRANSPORT COMMISSION OF GROUND TRANSPORTATION IN NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is directed to the Minister of Regional Economic Expansion in his capacity as Acting Minister of Transport. Has the study undertaken by the Canadian Transport Commission into ground transportation in Newfoundland been completed and, if so, when will the results of that study be released?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am not aware that it has been completed, but I will be more than happy to make inquiries for the hon. member. As I recall, at the time it was indicated it would be released as soon as possible after completion. I will get that information and pass it on to him as quickly as possible.

CANADIAN NATIONAL RAILWAYS

PROGRESS IN BRINGING ABOUT ESCALATION OF PENSIONS OF RETIRED EMPLOYEES IN LIGHT OF INCREASING COST OF LIVING

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, in the absence of the Minister of Transport my question is directed to the right hon. Prime Minister. In light of the ever-increasing cost of living, can he advise what progress is being made by the board of directors of Canadian National Railways in regard to a much needed escalation of the rates of pension of retired CNR employees?

Right Hon. P. E. Trudeau (Prime Minister): Here again, Mr. Speaker, I will have to take note of the question on behalf of the minister.

Mr. Muir: In view of the fact that the right hon. gentleman, the leaders of other parties in the House and many other members have received representations from the Retired Railwaymen's Association of the CNR, and in view of the fact this matter was not on the agenda of the January and February meetings of the CNR, will the Prime Minister take a personal interest in the matter and ascertain just how soon these much needed increases will be forthcoming?

Mr. Trudeau: I will make sure that these representations are brought to the attention of the minister, Mr. Speaker.

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TRANSPORT

LACK OF RAILWAY CARS TO MOVE BRITISH COLUMBIA APPLES—GOVERNMENT ACTION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is addressed to the Prime Minister. In view of the fact that apple producers in British Columbia are having to divert good, fresh marketable apples to processors at less money because of the lack of rail cars to transport them to market, what does the government intend to do about this matter of vital concern to the B.C. economy?

● (1130)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I indicated a moment ago, the minister expects to make a statement fairly soon on the question of cars, boxcars.

Mr. Whittaker: Mr. Speaker, I have a supplementary for the Minister of Transport but as he is not here I shall direct it to the Prime Minister. Is the Minister of Transport, when he introduces his new transport policy to overcome his stated lack of a transport policy, going to request the railways to pay heed to the needs of the apple producers of British Columbia?

Mr. Trudeau: Mr. Speaker, I am sure these representations will be very much foremost in his mind.

VARIATION IN GROSS TRUCK WEIGHT REGULATIONS IN WESTERN PROVINCES—ACTION TO ACHIEVE UNIFORMITY

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, in the absence of the Minister of Transport I should like to try the parliamentary secretary. In view of the inconvenience and cost imposed on trucking firms by variations in interprovincial gross vehicle weight regulations and in view of the concern of the four western provinces about this matter, what steps is the Minister of Transport taking to establish higher and more uniform gross vehicle weights across the prairie provinces?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): This is being looked into, Mr. Speaker. The minister also met with the trucking representatives and we also are waiting for a report from them at the present time.

Mr. Nelson: Mr. Speaker, may I ask whether discussion of this matter is taking place with the provincial ministers of highways?

Mr. Guay (St. Boniface): I cannot speak for the minister on that particular subject, Mr. Speaker, but I presume this will be one of the topics.

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INDUSTRY

INCREASE IN LUMBER PRODUCT PRICES—MONITORING BY DEPARTMENT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Noting that Domtar Limited of Montreal will increase its prices of lumber products by $30 to $35 effective April 1, has the minister conducted a study or monitored these price increases in lumber and related industries to ensure that these commodity increases are not disruptive in view of what was indicated in the throne speech and the Prime Minister's statement that action would be taken as in the case of oil.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think this is a matter which would fall more particularly under the jurisdiction of the Minister of Industry, Trade and Commerce.

Mr. Ritchie: With your permission, Mr. Speaker, I should like to direct the question to the Minister of Industry, Trade and Commerce. Has he carried out any study of increased prices in the lumber industry?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have been monitoring the situation very closely. From a high in April, I believe, of last year there has been a 30 per cent reduction as at the end of January. There has been a slight increase of as high as 15 per cent during the month of February, but my information is we can expect declining prices so far as lumber is concerned for the rest of the year.

INCREASE IN WHOLESALE PRICE INDEX—POSSIBILITY OF CONTROLS ON COMMODITY PRICES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question originally was for the Minister of Consumer and Corporate Affairs but he has already indicated this type of question, which I had assumed would come under Consumer and Corporate Affairs, should go to the Minister of Industry, Trade and Commerce. I therefore direct it to that minister. With the wholesale price index having increased by 3.4 per cent in January and by 27 per cent in the past year and with textile products, for example, up 5.5 per cent in one month and wood products up 3.2 per cent, is the minister—

Mr. Speaker: Order, please. I assume the hon. member is now coming to his question.

Mr. Stevens: Your assumption is correct, Mr. Speaker. Is the minister contemplating placing controls on any of these commodities or on any other commodities?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. gentleman has referred to a number of products which are imported into the country and has referred specifically to textiles. Clearly a policy of import controls would not in any way assist the prices of those products as their price is affected by the world supply and demand situation. On the export side, we have looked at this very closely and in my view export controls would be counter-productive. They would have the effect of slowing down the kind of increases in supply we are anxious to see in order to bring about a better balance in supply and demand.

Mr. Stevens: I wonder whether the minister could state simply whether he plans any controls over any commodity at the present time?

Mr. Gillespie: No, Mr. Speaker.

Mr. Stevens: A supplementary—

Mr. Speaker: Order, please. The hon. member will be recognized for a last supplementary and then I will see the hon. member for Winnipeg South Centre.

Mr. Stevens: My question is again directed to the same minister, Mr. Speaker. With the purchasing power of the average worker having fallen by $5 a week and real wages having gone down by 2 per cent during the year, while corporate profits after taxes on a real basis went up 35 per cent, can the minister explain to the House who he feels had a very good year in 1973?

Mr. Speaker: Order, please. The hon. member for Winnipeg South Centre.

ADMINISTRATION OF JUSTICE

ENFORCEMENT OF MAINTENANCE ORDERS ISSUED BY FAMILY COURTS—RECOMMENDATION OF LAW REFORM COMMISSION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Solicitor General. In light of the fact that 75 per cent of all family maintenance orders made by Canadian family courts against deserting husbands are defaulted, and in light of the fact these defaults cost Canadian taxpayers $365 million annually, does the minister intend to adopt through legislation the recommendation of the Law Reform Commission which would give family courts an investigative and enforcement apparatus to track down elusive fathers, thereby assuring compliance with any maintenance order issued?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it is indeed a recommendation from the report of the Law Reform Commission, but as stated in the report, however, it is a matter of mostly provincial jurisdiction which will surely be discussed with the provinces when we will have the opportunity to meet on this question.

* * *

[*English*]

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—LEVEL OF BUDGET IN SUDBURY AREA

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the fact northern Ontario has had the highest summer unemployment rate in Ontario for the past four years, and in view of the fact the 1973 manpower job market report for northern Ontario predicts high unemployment for young people this summer, can the minister explain why the budget for the Opportunities for Youth program for the Sudbury manpower area has been cut by 33 per cent whereas the allocation for the rest of Ontario has been reduced by only 14 per cent?

Mr. Speaker: Order, please. I would hope we would not become involved from day to day during the question period with the budgets or details of every constituency in relation to the Opportunities for Youth Program. This might involve us in complications and difficulties. The minister might be allowed to reply briefly to the hon. member's question, after which we will go to the next question.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I repeat my answer that the final sub-provincial allocations have not yet been struck.

ENERGY

POSSIBILITY OF ESTABLISHMENT OF OIL MARKETING AGENCY AS WELL AS NATIONAL PETROLEUM COMPANY

Mr. Stan Schumacher (Palliser): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In light of last week's meeting between the Prime Minister and the premiers of Alberta and Saskatchewan, in addition to the establishment of a national petroleum company is the government also considering the establishment of an oil marketing or petroleum marketing agency?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, a national oil and gas marketing board is one of the mechanisms by which national prices for these two commodities could be established in Canada. This is very much under discussion at the moment.

* * *

FISHERIES

HADDOCK—TAKING OF CATCHES BY UNITED STATES FISHERMEN IN RESTRICTED AREA—REPRESENTATIONS BY CANADA

Mr. Charles E. Haliburton (Southwestern Nova): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Because of the agreement reached at the ICNAF conference last July it was understood that there was international agreement to protect haddock, our most valuable groundfish species, during the spawning season, and since contrary to that agreement hundreds of thousands of pounds it is reported, have been taken in the past two weeks by American fishermen from the restricted area, undoubtedly setting back the rebuilding of stocks and conservation for years, what action has the minister taken or what action will he take in order to see that American fishermen are restricted and pulled out of that area?

● (1140)

Hon. Mitchell Sharp (Secretary of State for External Affairs): It will be our purpose to see that all these international agreements are observed, Mr. Speaker.

OBSERVANCE BY OTHER NATIONS OF ICNAF AGREEMENT CURTAILING FISHING OPERATIONS ON GEORGES AND BROWN'S BANKS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a supplementary question for the Minister of Fisheries. In view of the closed seasons listed on page 4 of the government's order in council of January 15, 1974, would the minister inform the House if ships of all nations are abiding by the ICNAF regulation by curtailing fishing operations on Georges and Brown's Banks, or does the prohibition of fishing operations only apply to Canadian fishermen?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the information I have is that all nations other than the United States are adhering very closely to the regulations.

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, would the Minister of Fisheries or the Secretary of State for External Affairs be kind enough to tell us whether in fact there is in existence at the moment an international agreement with regard to the haddock fishery?

Mr. Davis: Mr. Speaker, there is the undertaking which was entered into at the last ICNAF conference involving all 16 nations that fish in the North Atlantic.

* * *

PENSIONS

RAILWAY EMPLOYEES—INQUIRY AS TO APPOINTMENT OF COMMISSIONER TO CONDUCT INQUIRY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the minister's commitment made in the House last August and confirmed last month in Edmonton that he would appoint a commissioner to go into all aspects of railway pensions, including the position of those already retired from all railway lines in Canada, can he say when that commissioner will be appointed?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I do not recall my precise wording. I do recall having stated to the parties themselves that we had under serious consideration the appointment of a commissioner if this type of arrangement could not be arrived at satisfactorily by the parties themselves. I would advise the hon. member, who I know has a great interest in the matter, that we would be prepared to give serious consideration to such action but we are canvassing the matter with the parties to see whether this could not be accomplished in this way.

Mr. Knowles (Winnipeg North Centre): Will the minister endeavour to bring this matter to a conclusion and make a statement to the House on it within a few days?

Mr. Munro (Hamilton East): I have some information that I am checking now. I do not want to deal with the matter in the House at this time because I am not that sure of the accuracy of the information, but I think there may be significant moves afoot right now in this direction. I should like to check it out and I will advise the hon. member.

* * *

[*Translation*]

EXTERNAL AFFAIRS

INJURING OF VERDUN MIDGET HOCKEY PLAYERS IN MOSCOW BY SOVIET TEAM—REQUEST FOR REPRESENTATIONS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs.

In view of the bloody incident which took place this weekend at the Saholniki Park Arena in Moscow, when 14 and 15 year-old hockey players from Verdun, in the province of Quebec, were brutally assaulted and seriously wounded by some Soviet "Midgets" during a fight without equal in the history of hockey, does the minister intend to send a protest to the embassy of the U.S.S.R. and demand compensation for these acts of barbarism?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would hesitate to give that undertaking, but I will certainly look into the circumstances. I am sure the Soviet government itself had hoped that these games would promote international good will.

[*Translation*]

Mr. Wagner: A supplementary question, Mr. Speaker. Is it the intention of the minister to request a complete report on this incident from the Canadian embassy in Moscow, and would he assure the House that it will be made public as soon as it is received?

[*English*]

Mr. Sharp: Certainly there will be inquiries. I could not undertake to make the report public, but I hope I will be able to give an explanation if one is provided to me.

* * *

FINANCE

REQUEST THAT MINISTER SUGGEST TO BANKS THAT THEY REDUCE INTEREST RATES TO LOWER COST OF BORROWING

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. In view of the minister's frequent statements regarding the close inter-relationship between interest rates in Canada and those in the United States, has he been in touch with the Canadian chartered banks recently to suggest to them strongly that they follow the example of American chartered banks, which have made several reductions in their prime rates in the past few weeks, as a means of lowering the cost of borrowing to Canadians and helping to bring the Canadian dollar back to par with the U.S. dollar?

Hon. John. N. Turner (Minister of Finance): Mr. Speaker, one of the main factors in the differential between short term rates in the United States and Canada at the moment is the difference between the economic cycles in the United States and Canada. We are in a stronger cycle than is the United States. I am watching the movement of interest rates, as is the governor of the Bank of Canada, with a view to the movement of the exchange rate on the one hand and the increasing money supply on the other.

Mr. Hees: Would the minister and his colleagues please get on their bicycles and pedal a hell of a lot faster than they have been doing recently?

Mr. Speaker: Order, please. That is a representation.

[*Translation*]

SOCIAL SECURITY

MEASURES TO ENSURE THAT TOTAL BENEFIT OF OLD AGE PENSION INCREASES GOES TO RECIPIENTS

Mr. Gilles Caouette (Charlevoix): I would like to put a question to the Minister of National Health and Welfare.

A recent press release reported an increase in old age pensions. This time has the minister taken any steps to see that total benefit be paid directly to old people so as to avoid any possibility of provincial governments, Quebec especially, stealing the increase by reducing social welfare or still by raising rent in homes?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, recently I had the opportunity of raising that issue with my colleagues, my Quebec counterpart especially, and I hope that all interested parties will find the situation satisfactory in April.

Mr. Caouette (Charlevoix): I should like to put a supplementary, Mr. Speaker.

As this is another "as of April" provision, does the minister plan to adopt a formula guaranteeing the elderly an increase without having to spend time fighting about it with the provinces?

Mr. Lalonde: Mr. Speaker, it is not a question of "fighting" with the provinces. They manage housing for the elderly and are responsible for setting the rent. Representations must be made directly to the provinces, and pressures exerted upon them; I cannot dictate to them.

* * *

[*English*]

FINANCE

REQUEST FOR STATEMENT ON EFFORTS TO REFORM INTERNATIONAL MONETARY SYSTEM AND VALUE OF CANADIAN DOLLAR

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. In view of the fact the minister failed in his speech the other day to go into the question of international monetary relations, the value of gold, the reform of the international monetary system and, may I say, the change of policy with regard to the value of the Canadian dollar, would the minister now consider making a statement in the House and so bringing the House into his confidence on what is happening with the Canadian dollar, thus avoiding some of the questions that have been put this morning?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I apologize to the hon. member. I found that in the 30 minutes I wanted to do justice to a few of the domestic issues.

Mr. Lambert (Edmonton West): A few political ones.

Mr. Turner (Ottawa-Carleton): Perhaps on another occasion we could have a discussion about the international situation, something I have been thinking about.

HEALTH

ACHIEVEMENT OF PATIENT-DOCTOR RATIO OF SIX HUNDRED TO ONE—ADMISSION OF FOREIGN DOCTORS TO CANADA

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact he has expressed the view that the ratio of patients to doctors should be 600 to one, and in view of the fact the throne speech contained no reference on that score, does he intend to move by legislative action or by regulation in order to achieve this desire of his, which I hope will not be achieved because I believe the ratio is a bit high?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I did not express the hope that the ratio be one to 600. I merely reported that among experts in the matter, in various countries, the ratio of one to 600 is considered reasonable.

Canada's objective has not been set definitely. The matter will be discussed with the provinces since they are the ones that will have final say in the matter when deciding on the number of doctors each province wants under its jurisdiction in relation to its population.

[*English*]

Mr. Korchinski: In view of the fact medical care insurance is available to all Canadians, is he considering consulting the Minister of Manpower and Immigration regarding the withholding of applications to come to Canada that have been made by foreign doctors in order that the ratio that he himself has established may be maintained?

[*Translation*]

Mr. Lalonde: I am afraid the hon. member did not understand my first answer. This ratio is not one that I established personally or that is established for Canada, it is merely a ratio generally recognized.

As for consultation with my colleague, the Minister of Manpower and Immigration, I say once again that it is quite clear that no legislation can be introduced in this respect unless the provinces take a decision in the allocation of a certain number of doctors under their jurisdiction.

* * *

● (1150)

[*English*]

NATIONAL PAROLE BOARD

INQUIRY AS TO APPOINTMENT OF AD HOC MEMBERS—INCLUSION OF INDIANS

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Solicitor General. Inasmuch as the National Parole Board has now been revitalized and increased in stature, can the minister tell the House when he will be able to make the announcement about the appointment of the ten ad hoc members which was authorized by parliament at the last session, and will there be

included in that ad hoc membership a couple of people of native Indian origin?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have been interviewing potential candidates for the last few weeks and I hope to make the appointments shortly. Among those I am interviewing are several native people.

Mr. Howard: Mr. Speaker, I have a short supplementary. Would the minister like to take the same enlightened approach he took in regard to the Chairman of the National Parole Board and apply it to the Commissioner of Penitentiaries?

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REGIONAL ECONOMIC EXPANSION

PROGRESS OF PROGRAM TO DECENTRALIZE STAFF

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the minister's announcement at the Western Economic Opportunities Conference that decentralization of his department would be accomplished by switching the ratio of 70 per cent in Ottawa and 30 per cent in the field to the exact reverse, why is this program behind schedule and what is the minister doing about the hemorrhage of senior staff to other departments?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I do not think I could answer that question fully within the time constraint you obviously would impose. I can say that decentralization is moving ahead. Quite a few people are in the field and most of the senior positions have been filled. I will be very glad subsequently to answer any other question the hon. member may have, perhaps in committee or elsewhere.

Mr. Roche: How does the minister propose to have effective decentralization of the decision-making process without dislocating the lives of many career civil servants who live in Ottawa and without at the same time duplicating and adding staff in the field?

Mr. Speaker: Order, please. That appears to be argument. Perhaps the minister and the hon. member might get together and continue the debate some other time, possibly after the question period.

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EXTERNAL AFFAIRS

LEAKAGE OF CLASSIFIED INFORMATION—INQUIRY AS TO SECOND INVESTIGATION—PRESENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a question for the Secretary of State for External Affairs. I should like to know whether the minister is prepared to say if a second investigation is going on in his department or CIDA into unauthorized disclosure of classified information?

[Mr. Howard.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Only in the most general way, Mr. Speaker. There is no specific suspect in mind.

Mr. Munro (Esquimalt-Saanich): Will the minister then say that he is satisfied that the resignation recently accepted puts an end to unauthorized disclosures which eventually turn up in the House?

Mr. Sharp: Mr. Speaker, I would hope that all members of parliament would realize what a difficult and, for the employee concerned, rather tragic ending there was and that everyone would govern themselves accordingly. As far as I am concerned in my respective responsibilities I have given instructions that there are to be greater precautions than ever before.

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AGRICULTURE

REQUEST FOR ANNOUNCEMENT OF ASSISTANCE TO CATTLEMEN IN LIGHT OF DIFFICULTIES

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, may I compliment you on giving priority to backbenchers today. The calibre of questions is definitely on the rise.

Some hon. Members: Hear, hear!

An hon. Member: It was until now.

Mr. Cullen: My question is for the Minister of Agriculture. In view of the serious difficulties being faced by Canadian cattlemen, costing them thousands of dollars on a daily basis, is the minister or the Minister of Finance prepared to make some announcement within the next few days on what is going to be done in the short term and long term to cope with this problem?

An hon. Member: A good question.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as I said last Friday, I believe, several suggestions are being put forward and we are considering those. What solutions we will come up with to aid these people in the plight in which they find themselves at this time I am not prepared to say at the moment because we are still considering them.

* * *

HEALTH

REQUEST FOR MORE FUNDS FOR MEDICAL RESEARCH

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the deficiency in funds provided by the government for medical research in Canada, which will result in the stopping of many necessary research projects and stop very intelligent young doctors going into the research field, is there any hope at all that the minister will reconsider his position and grant more money for this necessary medical research?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all the Medical Research Council has been awarded much more money than last year. But then, funds allotted to medical research will always be inadequate. Third, I do not agree with the hon. member that many research projects will be stopped. This is not the information I have on that matter.

* * *

[*English*]

AGRICULTURE

ACTION TO ENSURE THAT BEEF, HOG AND MILK PRODUCERS CONTINUE OPERATIONS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question to the Minister of Agriculture is perhaps in a similar vein to the one put by the hon. member for Sarnia-Lambton. In view of the fact that 90 per cent of the increase of $1.4 billion in farm income from 1972 to 1973 was received by the wheat and grain producers of Canada and approximately only 7 per cent was received by the beef, hog and milk producers, what immediate, concrete proposals and incentives does the government intend to undertake to ensure that these producers remain in these types of farming and do not take off, if the minister will pardon a pun, for greener fields?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we outlined some of the proposals in the throne speech and we hope to be initiating some of them with the farmers and my provincial counterparts as soon as we can. How soon that will be I am not prepared to say at this time. I realize, as does the hon. member, it is most important that some incentive and guarantee be provided to keep these people in production. I am not 100 per cent sure of his figures but I do know these people must have a decent return or they are not going to stay in business.

REQUEST FOR DEFICIENCY PAYMENT FOR BEEF PRODUCERS RATHER THAN HIGH TARIFFS

Mr. Bill Knight (Assiniboia): Mr. Speaker, my supplementary question to the Minister of Agriculture follows the same vein. In view of the fact the western cattle industry would be in a very detrimental position if the government introduced a program of high tariffs related to the movement of beef into the American market or vice versa, can the minister assure the House that in trying to resolve this question the government will stand by the principle of free trade and in fact bring in some program of temporary deficiency payments?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I believe the hon. member's colleague asked the same question last week. I said we were considering many different proposals and that is one we are considering. I am also prepared to visit my counterpart in the United States and discuss the quota problem, the tariff position and also the DES problem.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Saint John-Lancaster and then call orders of the day.

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HARBOURS

PORT OF SAINT JOHN—FIRE ON WHARVES—GOVERNMENT ACTION TO REPLACE LOSSES

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, my question is for the Acting Minister of Transport. In view of the disastrous $3 million fire on the wharves at the port of Saint John over the weekend, would the acting minister give an assurance that there will be a full survey of the losses and as soon as possible a statement of the government's intentions to replace the losses?

Hon. Donald C. Jamieson (Acting Minister of Transport): Mr. Speaker, I think the answer would be yes to both questions. Obviously all of us regret the fire. I was advised this morning that the survey to which the hon. member referred has begun. As soon as there is anything to report both as to the problem and the interim solution, I will be glad to pass it on, or the Minister of Transport will.

Mr. Speaker: The hon. member for the Yukon rises on a point of order.

Mr. Nielsen: Mr. Speaker, since the President of the Privy Council has resisted the blandishment of the Minister of Indian Affairs and Northern Development with respect to the introduction of the bill to amend the British North America Acts, 1867 to 1965, standing in his name on today's order paper, I wonder if he would consider by unanimous consent reverting to the introduction of bills for the purpose of introducing the bill standing in my name on page 10 of the order paper which deals with the same subject matter and probably in precisely the same terms.

Mr. MacEachen: Mr. Speaker, I will be giving first reading to the bill that was stood today very shortly, so that my hon. friends will have a chance to support it.

Mr. Speaker: Orders of the day. The hon. Parliamentary Secretary to the President of the Privy Council rises on a point of order.

* * *

● (1200)

BUSINESS OF THE HOUSE

TIME LIMIT ON SPEECHES ON LAST DAY OF THRONE SPEECH DEBATE

Mr. Maurice Foster (Algoma): On a point of order, Mr. Speaker, this is the last day of the throne speech debate and there are a large number of members who want to contribute to the debate. There have been discussions among the parties and perhaps it might be agreed that we limit the first speech by the representative of each party to 20 minutes and all the rest of the speeches to be made

today to 15 minutes. If that is agreeable, perhaps we could make that an order of the House.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we agree to this. I think it was also part of the understanding that overtime would be taboo.

Mr. Speaker: Is this agreed, including the taboo?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

SPEECH FROM THE THRONE

[*English*]

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Friday, March 8, consideration of the motion of Mr. Stollery for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I join with other members in welcoming the Governor General and his lady to Rideau Hall. I also congratulate the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier) for so eloquently moving and seconding the Address in Reply to the Speech from the Throne. By so doing they demonstrated the good fortune of their own constituents and of the Liberal Party.

In the time allotted to me I shall talk about some initiatives taken or soon to be taken by the government to further assist Canada's industrial development.

As you know, Mr. Speaker, a great deal has happened since we met to debate the last Speech from the Throne. Canada has joined 101 other trading nations through the Tokyo round of multilateral trade negotiations in seeking to further liberalize world trade.

You will recall the industrial development policy framework that I have spoken about on numerous occasions. It involves objectives, a coherent set of industrial policies, and particularly strategies for particular industries. I think that during the course of this past year we have made substantial progress in the development of a coherent set of industrial policies and in formulating particular industrial strategies for particular industrial sectors. I think that as a result we have helped to build a stronger industrial base, and a stronger industrial base for Canada in the years ahead.

The House has also passed the Foreign Investment Review Act which, after its impending proclamation—I emphasize that proclamation is impending—will ensure by law that future foreign investment is to Canada's significant benefit. It will give to Canadians greater control over their own economic future.

Hon. members are aware of the important role that the Export Development Corporation has played and will play in providing competitive financing to enable the export of

Canadian capital goods and related services to take place. They should also be aware of the direct benefits this brings to Canadians through the development of technology and the direct or indirect assistance to hundreds, indeed thousands, of Canadian small businesses. Hon. members will recall that last April the House passed an interim bill raising the lending ceiling for long-term financing by the Export Development Corporation to $1.5 billion. At that time I referred to the preparation of a more comprehensive bill. The forthcoming bill should provide ceilings sufficient for the corporation to operate for a number of years into the future. I look forward to speaking on and elaborating this topic during the second reading debate.

Small business is vital to our future industrial development and economic prosperity. It, too, will be greatly assisted by the establishment of the independent Crown corporation to be called the Federal Business Development Bank, as outlined in the proposals I made to the House last July. By building on the strengths of the old Industrial Development Bank and our highly successful counselling assistance to small enterprises program, the FBDB will be designed to meet the three greatest needs of small business, namely, access to expanded and more flexible financing, management counselling and training, and information on how to take advantage of other programs and services. The enabling legislation will be introduced this session.

As a result of initiatives taken by the federal government and the Western Economic Opportunities Conference, we are working in close co-operation with the provincial governments involved to make possible the greater industrialization of western Canada by taking greater advantage of its tremendous wealth of natural resources.

We have made progress in other areas. For instance, my department has decentralized and strengthened its regional offices in order to bring our services closer to businessmen. We are moving as well into the future through the introduction of the metric system. I shall be introducing a joint resolution in both Houses of Parliament during the present session to seek approval of a time table for Canada's conversion to the metric system.

Today, Mr. Speaker, I should like to concentrate my remarks on the further upgrading of Canada's resources in Canada prior to export. Since confederation, Canadian governments have wrestled with the problem of how to maximize Canada's benefits from our abundance of natural resources. It has always been generally agreed that our economic returns would be higher if we processed more of our resources here at home. There has been agreement, Mr. Speaker, but not a lot of action.

Since confederation, Canada, essentially, has followed some form of John A. Macdonald's old national policy. It was, essentially, a high tariff policy, building a wall behind which Canada's infant manufacturing industries could be protected from the competition of their southern competitors.

The old national policy worked reasonably well for the first 50 years. Increasingly, however, if we look back over the past 50 years it will be seen that Liberals were becoming apprehensive about the effects of protective tariffs on the efficiency and entrepreneurship of Canada's manufac-

turing industry. Obviously, a national policy based on a highly protected Canadian market would not, by itself, bring about any significant change in the degree of processing of our own national resources. Our market was too small then; it is still too small today. Canada, as you know, is a major industrial country, but we have the smallest market of any industrialized nation.

The other side of the coin is that the other major industrial nations—Japan, the European nations particularly, and to an increasing degree, the United States—have depended to an ever greater extent on increasing quantities of raw materials which they have had to import to fuel their industries. They provide access to supplies of raw materials like Canada's at zero or near zero tariff levels. But they, too, have maintained a protective tariff system on their manufactured products, products that mean jobs and need skills. In fact, the greater the degree of processing, the higher is the domestic tariff on imported products. That is the situation we face now as a competing, industrialized nation.

Of course, another thing happened in the past 50 years which did not help to stimulate the upgrading of Canadian resources in Canada. I refer to the near tidal wave, not of foreign investment per se as foreign investment, but of foreign investment which brought about foreign ownership and foreign control. The enormous increase in foreign control of our manufacturing industries and the even greater increase of foreign content with regard to some of our more important natural resource industries have had a serious effect.

● (1210)

One of the great ironies of Canadian history is that those policies which relied so heavily on tariffs to protect Canadian manufacturers against foreign competition failed utterly to protect Canada's manufacturing and secondary processing industries from foreign control. Indeed, those same policies encouraged the creation of branch plants and the takeover of existing Canadian enterprises. Yes, the almost complete laissez-faire approach to foreign investment effectively worked against upgrading of Canadian resources in Canada. Those who were exporting unprocessed raw materials to their affiliated companies and customers had a stake in maintaining the status quo.

As I have already said, Mr. Speaker, there is general agreement among Canadians that we should process more of our raw materials prior to export. However, there has not been a great deal more than that until quite recently. In the sense of policy initiatives and new measures to bring about the upgrading of Canadian resources, more has been done in this past year than in any year in the history of Canada. There was probably more done in the past year than in the last 50 put together.

Let me illustrate what I mean. I want to deal specifically with six major areas bearing upon this particular point. First, we introduced the corporate tax rate reductions for manufacturing and secondary processing to put Canadian industry on a fully competitive basis with the tax systems of competing countries and to provide an incentive to further processing in Canada. That was done about a year ago.

Second, we have taken the initiative in the current GATT negotiations to bring about common or zero tariffs in selected sectors. As I have often said in public forums, Canada will be seeking to eliminate, or at least significantly reduce, the bias which has promoted trade in raw materials and prevented the installation of world-scale, internationally competitive processing facilities in Canada. We have been encouraged by the fact that for the first time the sector approach will be included as a negotiating technique in the forthcoming negotiations. This will involve the negotiation of free or freer trade from the raw materials through to end products in industrial sectors consisting of closely related groups of products. For example, the zinc sector could be defined to include zinc ores and concentrates, zinc metal, alloys of zinc and zinc die castings. The pulp and paper sector could include wood pulp, newsprint, the bulk packaging papers and boards, fine papers and even printed matter in certain manufactures of paper. The successful use of the sector approach in these GATT negotiations would present many new opportunities to Canada.

Third, we have adopted an energy policy aimed at self-sufficiency for Canadians at prices below world prices. The question might be asked, why is this important to upgrading? I think there are two basic reasons why it is important.

First, upgrading is energy intensive. It is probably the most energy intensive of all our industries and the availability of relatively low cost energy will be enormously important in improving the comparative advantage of Canadian processing facilities and offsetting some of the comparative disadvantages that Canadian industries have to contend with today. I do not have to emphasize the harsh winters, long distances and high unit transportation costs.

The second reason why it is important is that oil and natural gas are feedstocks for the potentially very large industries of Canada. I am, of course, referring to the petrochemical industry, an industry which has been held back because historically feedstock costs to Canadian processors have been higher than feedstock costs which their competitors in the United States could obtain.

Hon. members are well aware that energy costs are moving upward much more dramatically in other industrialized countries. Canada has the opportunity to develop an energy policy which will support upgrading and which will not be neutralized by higher costs. Think about this for a moment. If Canadian industry, particularly the secondary processing industry, had to pay international prices, what would be the economic incentive to do the processing of, for example, Canadian ores in Canada rather than in Japan?

The fourth initiative I want to refer to is the Foreign Investment Review Act under which proposals for further processing our natural resources prior to export will be an important fact in assessing the whole question of significant benefit to Canada. It will be an important measure, an important lever in bringing about the further processing of our natural resources in Canada.

Fifth, we are actively supporting further processing through encouragement of research and development under our various support programs. They are consider-

able. Let me just run through them quickly. Under the PAIT program, we have been supporting the development of refining processes such as continuous copper smelting. We have been working with the province of Alberta and the private sector on new uses for sulphur through the Sulphur Utilization Development Institute. We have been working and supporting the wood products industry in a number of different ways. I will touch on only a few. For example, we have been participating in the development of new uses for poplar, a wood species which is at present under-utilized. We are also working with the Hardwood Plywood Association to develop thin veneer plywood for export.

We are participating with the government of British Columbia and the Council of Forest Industries in an overseas market development program which is in part aimed at promoting the upgrading of our lumber exports through the sale of housing components, particularly to the Japanese market. We are assisting in a number of projects aimed at encouraging further processing of grains and oilseeds and helping to finance a pilot project in Saskatchewan to develop the technology to produce protein, starch and oils from grains and oilseeds.

Sixth, we introduced amendments to the Export and Import Permits Act last week which can be used to bring about greater resource upgrading. However, I wish to emphasize that the policy of upgrading will be applied flexibly and selectively. Different commodities face different circumstances. There will be cases when it will still be sound economic sense to export some resources in a relatively unprocessed form, but where the upgrading of Canadian resources prior to export is or can be a sound and viable economic proposition, and we think there will be many cases, we will expect Canadian industry to seize the opportunities at its own initiative. It should not be necessary to resort to forceful or restrictive measures. There are, however, means at the disposal of the government to bring about the desired results in those cases where industry does not respond to the opportunities in the way we think it should. One such means, and I would like to strongly emphasize that this would be a measure of last resort, would be the imposition of export controls.

● (1220)

Hon. members are aware that the government intends to seek their approval of legislation to enable the government to introduce controls selectively on unprocessed Canadian resources. I refer, of course, to Bill C-4 which has been tabled for first reading.

I do not have the time to deal with what I consider to be some of the major opportunities in the petrochemical industry, opportunities which over the next few years, certainly by the end of this decade, should involve the investment of more than $1 billion. Here, the multiplier in terms of value added is very substantial. I hope to discuss these prospects with the government of Alberta later this week.

I have looked at the clock, Mr. Speaker, and I see that my time has just about expired. I thank the House for the opportunity which has been accorded me.

[Mr. Gillespie.]

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, first I should like to join with my colleagues in congratulating the new holder of the office of Governor General and his lady and bring them greetings from the citizens of Swift Current-Maple Creek. I also wish to pay my respects to the mover (Mr. Stollery) and seconder (Mr. Pelletier) of the address. They were paid a very great honour by the Prime Minister (Mr. Trudeau).

The Speech from the Throne is in very general terms and it indicates to me that the problems of western Canada still await a solution, that we are still awaiting some action. This is the second Speech from the Throne to which I have listened. Once again, the government is asking the people of this country to restrain their expenditure but at the same time we find that the government, in a year when inflation is running at some 10 per cent, is increasing its own expenditures by 20 per cent. So it seems the government does not really want to do anything about inflation. To increase expenditures by that dimension in an inflationary period makes no sense at all to me, and despite all the talk about inflation being a psychological problem I suspect it is more of a political one. All across the country we see a frightening picture of the declining value of money. Yet the federal budget this year contains provision for spending $1,000 for every man, woman and child in Canada.

Last year and again this year we have witnessed a horrible world scramble for food in which the rich eat and the poor go hungry. The wealth and industry of some countries will permit them to secure food. Possession of resources by many individuals will allow them economic advantages not possessed by most of their countrymen.

One of the worst features about inflation is that it diverts investment from production to speculation, particularly in commodities. This is natural, I suppose, since it reflects an attempt to neutralize the depreciation of the value of money. Already the traders of rich countries are contracting ahead for supplies and securing production franchises for the future. This is a whole new ball game for Canada. In the rich United States we see the sold-out sign on national stocks and reserves. This is angering the consumer sector which considers it has first call on these supplies. We may now face the truth. "Have" countries are to be blackmailed into reducing their standard of living to avoid violent retaliation from their trading partners. Events in the oil world clearly indicate what is possible from possessors of scarce resources, even those with wheat and rice producing lands.

It is obvious to most people that economic geography has been immeasurably more bountiful to Canada than to many other parts of the world. We occupy a commanding position in the world's agricultural arena, and our wallop as an agri-power surely offers us a golden opportunity to play a more decisive international role for peace and prosperity. The world protein revolution depends greatly on our production of foods and feeds. It is too far advanced to be stopped, but its acceleration has been supported by the bargain basis upon which our food products, particularly our grain, have been available, and I would guess that the revaluation of world oil prices is inviting a counter-revaluation of farm prices. This will not slow down the world protein revolution but it should bring an overdue

correction in terms of trade with all our customers. It should, also, reassert our economic bargaining power and remind the world how powerful a political weapon food can be.

The same ferment as is racking the Arab world is also increasing demand in the world's meat markets at a hectic pace, but here, as is not the case with oil, the shortage is real and we in Canada should be one of the suppliers of last resort.

Food prices are poised on the verge of another take-off. For example, the Italians, although drained of dollars by oil outrage, nevertheless bid the latest California tuna auction up by 25 per cent. China has been showing herself to be a most resolute and realistic customer for the proprietary products we have, asking no political favours and counting herself lucky to pay her money. The rest of the communist world, the Arab world and Japan have no choice but to follow, Japan particularly now that the threat of polluted waters is endangering her historic fish diet.

It seems to me that the Speech from the Throne was very specific about measures that will hurt us in western Canada but very general about the things that would help us. In Saskatchewan, for example, with no international airport and no harbour works, we often wonder what we do get from the Department of Transport. For years we have been asking for some assistance to be given to the port of Churchill, the only port in the prairie provinces. I should like to quote from a report indicating the savings that use of the port of Churchill brings to producers of grain in western Canada. Here is a table issued by the grain Commission for 1972-73 showing the average cost of moving a bushel of grain from a mid-prairie point, in this case, Scott, Saskatchewan, to Japan and Europe. The figures are as follows:

Via Pacific coast ports	53.4
Via St. Lawrence ports	56.9
Via Maritimes ports	70.1
Via Thunder Bay direct	49.1
Via Churchill	38.8

This represents a saving of more than 30 cents a bushel compared with the present cost of moving grain through Maritimes ports.

The history of federal government assistance to agriculture in western Canada is that it has tended to drive people from the land and to discourage new and young farmers from getting into the business of food production. As an example, the government's feed grain policy has resulted in more U.S. grain being imported, more U.S. cattle being imported, and empty feed lots in western Canada.

Our excessive inflation is the most worrisome aspect of the economy. It takes the ambition and starch out of everyone, and it is just fruitless for any businessman to really try.

One of the most important lessons to be learned from the history of agriculture is that no precise forecasts can be made, because the mood of mother nature is not constant. Thus, in any legislation which is proposed we should allow plenty of margin for error.

● (1230)

The minister in charge of the Canadian Wheat Board has criticized some of my colleagues for attacking his LIFT program while at the same time taking part in it. The LIFT program was production control with a vengeance, Mr. Speaker. In order to get a quota to deliver wheat we were forced to join the LIFT program and leave our land idle.

One of the main reasons for lagging exports is that at the present time we have no ability in Canada to stockpile grain. All other bulk commodities can be stockpiled by the railways, such as coal, potash, ore, sulphur and so on. Blaming the farmers for not hauling grain to the country elevators is a real red herring.

I can quote the latest grain statistics showing that at the end of February our wheat supplies in commercial positions were 189.6 million bushels, while our overseas clearances of wheat up to the same time this year were only 184.5 million bushels. In other words, we have more supplies in commercial position right now than we exported in the first seven months of the crop year. Our grain industry is plagued with problems, many of them unsolved because of bad advice from experts who have never had to meet a payroll and have never missed a pay cheque.

I should like to mention some of the people at the other end of the spectrum, people who are practical and hard working and who can leave no room for error. I refer to the country grain buyers of western Canada. These people act as manager, secretary, janitor, bookkeeper, receptionist, adviser, weighmaster and inspector. These are the people who are really the key men in our great grain industry, an industry which this year will be bringing billions of dollars to the prairies.

The keystone of the country elevator operation is the mutual confidence that must exist in light of the reciprocity of interest between the producer and the elevator operator. In most businesses two signatures are required on a cheque to commit a company to pay money. Yet there are many country elevator operators who buy close to a million bushels of grain a year and write the cash tickets. I know of no other business where one signature commits a company to amounts such as this.

Country elevators have been declared by parliament to be works for the general advantage of Canada. Parliament has set out hours of work; they must be open at all reasonable hours. Yet grain buyers are still exempt from the hours of work limitations under the Canada Labour Code, and they work in dusty conditions that are often medically unacceptable. Right now we have only two companies whose country operations are affiliated to unions; the remaining six are not.

Grain buyers are required to work weekends, if necessary, for which they receive $5 for each boxcar loaded. They have to be able to identify the grain as there are many unlicensed varieties grown in western Canada. They must establish the grade, dockage and the weight. They must store the grain properly, cooper the grain car, load the car and do moisture tests. Yet we find that over 99 per cent of all the grain that is bought and graded by agreement is to the satisfaction of the company and the producer.

Let me refer to the latest report of the Canadian Grain Commission. Under the heading "Producers' Complaints" the report states:

> During 1971, the commission and the assistant commissioners investigated nine written complaints about producer transactions with operators of licensed primary elevators. In most cases, it was possible to arrange satisfactory settlements between the parties concerned.

Their workload is continually increasing and the requirement for protein tests at country elevators is only a short way down the road. Farm service supply needs are now a major item of paperwork. There has been a tremendous build up in the number of forms and paperwork to the point that, where the grain buyer used to be able to work seven hours and tidy up his paperwork in one hour, it now takes him at least four hours a day just to straighten out the forms and paperwork. These people certainly deserve our thanks.

We now have an economy operating on inflationary expectations, and I see nothing in the throne speech to break this situation. Government spending in Canada is approaching 40 per cent of our gross national product. In 1952 the figure was 21 per cent; in 1962 it was 31 per cent. Compared to other countries, government spending in 1972 in the United States was 32 per cent of the gross national product, in Britain 36 per cent, in France 37 per cent, in Germany 37 per cent and in Japan 17 per cent. I question whether we should by trying to lead the world in this kind of competition. In short, Canada has one of the most expensive and expansive bureaucracies in the world.

There has been a lot of mention made of ships' captains and seagulls in this debate. This government reminds me of a little group in a lifeboat who have lost control.

This is what a lot of my constituents see, Mr. Speaker. They see transportation needs increasing while the government watches our railroads decline. I could quote the latest Statistics Canada figures on railway carloadings, which indicate that the volume of freight loaded during the month of January, 1974, decreased by 2.7 per cent from the 1973 period. Similar decreases are occurring in the movement of coal, wheat, lumber and pulpwood, though there has been a great increase in the movement of potash. This would seem to give the lie to the story that because of bad snow conditions in western Canada the railways cannot move grain; all of our potash comes from western Canada.

My people see demand for dairy products increasing but the number of dairymen declining. Milk and butter production are going down. They see the need for red meat produced by farmers increasing. They see our feedlots empty, our livestock feeders going broke. The government is asking for more agricultural products; they will not get more by bidding less. I could go on and on. However, as the Secretary of State for External Affairs (Mr. Sharp) would say: "This is the Liberal way".

The election in Britain should serve to remind us that not so long ago the Canadian people told us that they wanted constructive action and not too many more words. They wanted the ship of state back on an even keel. This throne speech lacks what we all crave—a sense of unity and purpose.

[Mr. Hamilton (Swift Current-Maple Creek).]

[*Translation*]

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I should like to join those who spoke before me in this debate in offering my respectful compliments to their Excellencies the Governor General and Mrs. Léger. I should also like to take this occasion to point out the excellent speeches made by the mover and the seconder of the Address in reply to the Speech from the Throne, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier). To both I wish great success and a bright parliamentary future.

Mr. Speaker, the building of the new Mirabel International Airport in Montreal and particularly the expropriation it required have given rise for some time to criticisms in certain quarters and I should like to take advantage of this debate to answer some of the questions raised regarding that expropriation, and explain the solutions this settlement has brought forward to deal with those different problems.

One should remember that Montreal is a turntable in the field of transportation not only in North America but all across the world. The ever increasing importance of air transport in the world has made it an absolute must for Montreal to have airport facilities allowing it to take up the challenge. The government of Canada, Mr. Speaker, also had to make sure that the new airport would not be stifled after a few years of operation by restrictions similar to those now experienced at Dorval and several airports in the world. And the only way to do this was to control future developments in the noise areas. So it was imperative to foresee those developments inconsistent with the operation of the airport, particularly housing.

After consultation with the provincial government at that time it was thus decided to expropriate 93,450 acres of a vast rural territory, 17,000 of which for the so-called operational area, and 76,450 in the peripheral area.

It should be immediately pointed out, Mr. Speaker, that only the residents of the operational area will end up moving, that is 157 now and no more than 40 others in 1988. So 197 moving out is not exactly the great disturbance of 1755 whatever some local agitators might say about it.

Moreover, and this is for the guidance of hon. members, in the other great airport we are going to build, that of Pickering, only people from the operational area were expropriated, a 19,000 acre area. In Pickering almost all the expropriated people will have to move. Other owners in the outlying area will not have to move since the province of Ontario agreed to legislate so as to control the present development rights on lots extending over an 80,000 acre area. On the other hand, as far as the Mirabel airport is concerned, the Quebec government of that time refused to co-operate along these lines.

● (1240)

According to a totally unfounded assertion that was deliberately spread in some circles, the Sainte-Scholastique citizens were unfairly compensated as compared with the Pickering citizens. I wish to say today that such an assertion is untrue and entirely without foundation. It is true that expropriation for the Mirabel airport took place in 1969, therefore under the previous legislation,

while that in Pickering took place in 1973 under the new legislation. Nevertheless, in both laws, the new one as well as the previous one, the sale value of expropriated property is used as the main compensation base and that takes into account the special value as well as the harm resulting from expropriations in the case of the owners. Both laws are based on the same principle of equity and justice, whether the expropriated people are from Pickering or from Mirabel.

The difference between the new 1973 legislation and the previous one, which goes a long way back, is in that the new law provides for a more flexible advisory mechanism, a more complicated and longer process as to the stages of the expropriations as a whole.

Now, even without any legal obligations, since expropriation in Mirabel have taken place under the former legislation, this government wanted to take present requirements into account. We decided that all Mirabel residents should benefit on a retroactive basis under the new legislation provisions like those who are expropriated from Pickering.

With this in mind, Mr. Speaker, my colleague, the Minister of Transport (Mr. Marchand) and myself went to Mirabel and announced that an additional compensation of about $16 million would be paid to those who had been paid as well as to people who had not been paid yet. Here are these five benefits: first of all, $3,000 to be paid to every homeowner-resident on the date of expropriation, second, every homeowner will get a 5 per cent interest with arrears to July 1, 1969, and 6 per cent from that date up to 1970. In addition, expropriated people in both Mirabel and Pickering will be exempt from paying rent during a period of 23 months. As well, every homeowner-occupant in Mirabel on the date of expropriation will get a reimbursement allowance for the usual notarial fees that he had incurred for the purchase of a new house to replace the house that was expropriated. Fourth, in Mirabel, every homeowner who would have lost the advantage of a preferential interest rate will receive an equal compensation, provided his claim is justified. Fifth, every homeowner in Mirabel who had to leave within fewer than 90 days' notice will receive an additional compensation of 10 per cent.

Mr. Speaker, even after the government has announced all these advantages, which I believe are very generous and offered under no obligation, another unjustified charge was made that the government had not followed any criterion to proceed with the basis assessment of homeowners in Mirabel.

On the contrary, as soon as the expropriation process began, the government had called upon three of the largest assessment firms of the province of Quebec, that are both independent and specialized in this area, thus providing two major guarantees of competence and equity, both for the expropriated people and for the government.

I can assure the House that the work of these assessors was certainly not easy, especially since it involved a rural area where the real estate market was not very active.

Under these circumstances, the assessors, after a detailed study, decided that the most adequate and equitable assessment method would be that based on the physical value, which reflects the real value and involves the following calculations: (1) the value of the piece of land itself, established after consultation with agronomists with good knowledge of the area; (2) the depreciated replacement cost of the buildings; (3) as concerns the improvements made to the properties, they were all included and assessed on the basis of current prices; and (4) the compensation for damages included the removal expenses, the loss on machinery and stock, the costs incurred for conditioning specialized cultures, notarial fees, etc.

It is not a secret that in cases of expropriation, compensations are somewhat more generous than required in order to reduce the risk of injustices and errors, which are always possible in evaluations and other operations involving the human factor. We thought it better to err by giving too much rather than the opposite.

Mr. Speaker, we are very pleased by the fact that 89 per cent of the Mirabel claims have already been settled. Of a grand total of 3,126 cases, only 349 remain to be settled. To hasten the settling of the 349 remaining cases, we have accepted the request made by the three members of this area, the members for Argenteuil-Deux-Montagnes (Mr. Fox), Labelle (Mr. Dupras) and Terrebonne (Mr. Comtois), and by the CIAC committee, a local committee, to establish a conciliation board formed of three men highly esteemed and very qualified residents of the area, Messrs. Lacharité, Faguy and Noël, all readily acceptable by the expropriated people and the government.

The first case analyzed by this board was settled in a few hours. With the express request of the CIAC, the board has begun the examination of a second case which took a long time, because the parties, especially the members of the CIAC, wanted to turn it into a typical case or, I should rather say a famous cause.

I must admit the three members of the conciliation board have displayed outstanding patience, hearing a great many witnesses, reports, experts and neighbours. Day after day, the CIAC members practically lived in the hearings room and analysed the matter from all angles and then some.

It is therefore at least surprising that in mid-February the CIAC members decided to deliver an ultimatum thus trying to get the conciliation board to publish a report immediately. Those same people who had brought forward so much evidence are now ordering the immediate release of a report.

As for ourselves, we are serenely awaiting the board's report. It will be our duty to correct any injustice to which it will give rise.

On the other hand, if the CIAC members keep on obstructing and prolonging the hearing of each case, we shall have to remind the expropriated that other avenues are open to them and could lead to solutions.

In other words, if the CIAC members delay the hearings unnecessarily, by producing numerous witnesses or through other even less democratic methods of obstruction we shall then advise the well-disposed expropriated either to negotiate directly with us or to bring their case to court, as they have the right to do.

Should the courts grant them more generous amounts than ours, we shall be pleased to pay them. Moreover, we shall pay their court and counsel fees.

Another exaggeration has been spread around by the CIAC and a few small politicians badly in need of desperate causes, namely that the government has played Santa Claus for people expropriated from Pickering but has been a miser for Mirabel residents.

These again are falsehoods which do not reflect great credit on the so-called statesmen who, at their best and in front of other people, claim to avow national unity.

Let us consider the facts: first of all, the total cost of the Pickering expropriation amounts to about $90 million, whereas the Mirabel expropriation is in the neighbourhood of $148 million.

Mr. Speaker: Order, please. I am sorry I have to interrupt the minister but his time under the rules has expired.

● (1250)

[*English*]

Mr. Derek Blackburn (Brant): Mr. Speaker, it is with a great deal of pleasure that I enter the throne speech debate. I should like to begin by extending my sincerest congratulations to both the mover (Mr. Stollery) and the seconder ((Mr. Pelletier) (Sherbrooke)) to the Address in Reply to the Speech from the Throne. I should also like to extend my very best wishes to the new Governor General and Mrs. Léger.

As we know, the throne speech itself is not that important. What is important is the legislation that will flow from it. If this parliament is to survive its second session, that legislation must be in the best interests of the majority of Canadians. Though we are all vitally concerned about the energy crisis, the soaring cost of living, exorbitant residential mortgage rates and the tremendous cost of building lots across the country, my primary concerns in this address are manpower strategies and unemployment insurance. The Speech from the Throne stated:

> Other measures will be taken to increase production and employment through providing workers with improved access to available jobs, and employers with improved access to Canada's manpower.

I am glad that the Department of Manpower and Immigration has finally decided to become an efficient manpower mechanism. It has taken nearly eight years and approximately $2.5 billion of the taxpayers' money even to reach inefficient levels of operation. Dr. W. T. Dymond, a former assistant deputy minister who helped set up the manpower department, stated in a paper dated December 28, 1972:

> Although CMCs were contacted by 76 per cent of all job searchers, they only had an 11 per cent success ratio in finding jobs as compared to much higher ratios up to 27 per cent scored by such methods as checking with employers and friends and relatives.

If these statistics are accurate, and I assume they are considering their source, then Manpower has been in a deplorable mess over the last seven years. To reinforce my argument still further, I quote from another source which is just as reliable. In an article entitled "A Critical Look at Present and Future Social Security in Canada", printed in the Social Worker, Volume 41, No. 4, winter of 1973, Professor David P. Ross had this to say:

> Manpower and employment services must be judged a failure when considered from the standpoint of the needs of those with low incomes.

I should emphasize here that Manpower's greatest caseload comes from low income job searchers. Canada Manpower Centres just cannot seem to attract skilled and semi-professional job searchers for some unaccountable reason. Professor Ross continued:

> Job placement suffers from the fact that Manpower Centres are almost exclusively employer and demand oriented, and as such they have tended to be little more than job bulletin boards. The needs of the unemployed have been paid scant attention to, and the special employment needs of long-term social assistance recipients have been all but ignored.

These are the people who need assistance in re-entering the work force the very most, and yet that $2.5 billion has been wasted. In fact, with respect to retraining Professor Ross had this to say in the same article:

> The federal adult retraining program has also had little success. The Economic Council of Canada concluded in a recent study that the average post-training income in earnings was in the vicinity of 5 per cent; this means that an individual with pre-training earnings of $2,000 per year could expect post-training earnings of $2,100. Not exactly a big push in the struggle to escape poverty. Moreover, the council conluded that the employability of the trainee was not noticeably enhanced: if you tended to be frequently unemployed before training, then you tended to be frequently unemployed after training.

Perhaps it is time to take a hard critical look at the entire Manpower retraining program, particularly in view of the fact that in my opinion it is far too classroom oriented. I would like to quote briefly from the eighth annual review of the Economic Council of Canada at page 104. It states:

> There are, in fact, a number of advantages to training in industry relative to institutional training, of which a few will be described here. First, it seems clear that some degree of experience with the work environment is essential for almost all jobs; familiarity with the physical plant, materials, co-operating personnel, the institutional rules of the work place, and the discipline and regimen of the job is required for satisfactory performance. This can rarely be simulated adequately away from the work place. In the latter environment, moreover, the relevance of the instruction to the job is much more readily apparent, and this tends to make the trainee a more attentive student.

One can argue that Canada Manpower does in fact have on the job training, but I would like to point out that this program is both too small and not sufficiently structured and administered. I have become quite suspicious of some employers who may fire or lay off steady workers in order to hire manpower trainees, three-quarters of whose wages are paid for by the Canadian taxpayer. I am also convinced that this kind of training is only a temporary or make-work nature in order primarily to hold down the unemployment figures to lessen the embarrassment of the government.

Mr. Speaker: Order, please. I am not sure whether it is the wish of the House that we allow the hon. member to continue for a few minutes. If not, we will call it one o'clock. I believe the hon. member has gone about one minute after one o'clock which would leave him something like 14 minutes following resumption at two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Blackburn: Mr. Speaker, before we recessed for lunch I was referring to Canada Manpower centres and I was levelling something of a barrage against the inefficiency of their operations across this country. I will continue now with my address.

Another negative aspect about the manpower centres' poor performance over the years is that it has been bad for morale among CMC employees who often feel a sense of helplessness and frustration. Indeed, as a result of a recent questionnaire sent out to manpower employees, it was found that a substantial percentage felt that, despite changes and so-called reforms within manpower operations, their work had not improved, nor had their services improved. Hardly a day goes by that I do not get a letter or telephone call from an unemployed constituent complaining that manpower "is doing nothing for me". This may be due to ignorance on the part of some job seekers or it may be an exaggeration, but the important thing is that the impression is left that manpower is somehow failing them. This feeling did not occur overnight; it has built up over the years. So, obviously, there is some truth to the allegation.

I also receive criticism from some employers who are hard pressed for employees, although some of these complaints come from employers who cannot or will not pay more than minimum wages. I will have something more to say on this point later, when I will make a positive suggestion for a solution to this one aspect of manpower's many problems.

One of the most demoralizing situations within many Canada Manpower centres is the heavy workload that counsellors must endure, particularly in the large metropolitan centres. As late as 1973, I am told on good authority, some counsellors were responsible for as many as 400 or 500 cases at a time. No wonder that in 1972 CMC placed only 11 per cent of those who sought employment. It is my understanding that this problem is being resolved, but many CMC personnel must still waste valuable time cutting their way through endless red tape instead of being able to devote more time to a person to person counselling relationship with employees and employers.

The constituency I have the honour to represent contains many tobacco and vegetable farmers. In recent years these rural employers have been finding it increasingly difficult to obtain sufficient numbers of workers and each spring I am deluged with complaints alleging inefficiency and indifference on the past of Canada Manpower centres. I know that it is difficult these days to attract people, particularly young people, to work on farms. Many farmers cannot compete with urban industries with respect to wages; working conditions on some farms leave much to be desired; and many young people just do not want to slug it out in the fields.

I am not, therefore, entirely blaming Canada Manpower centres for this shortage of labour, but farmers, who have enough worries to begin with, must be assured, before planting and harvesting, that they will have sufficient help. This means that if unemployment is down to about 3.5 per cent in southwestern Ontario, as it has been in recent months, leaving mainly older people and those with very poor work records searching for work, there must be greater mobility during crisis periods, not just of bodies but of reliable help. If we must import farm workers, we must increase the quotas and at the same time ensure that these imported workers are not exploited by a few unscrupulous farmers who give all farmers a bad name.

I should like now to return to the whole question of institutional versus on-the-job training to which I alluded earlier when I argued against present methods and strategies. It is my opinion that there must be greater co-operation between industry and business on the one hand, and our school systems on the other. Industry must take a more responsible role in the training of its employees and schools must give up some of their control over the education of those students who are in the industrial and business streams in the various school systems. I see a very real need for establishing a new apprenticeship system involving the federal government through manpower and the provincial governments and local school boards. Admittedly, there is a constitutional problem here, but I am sure legal and jurisdictional obstacles could be overcome.

My argument is based on the premise that more students at the secondary school level should be screened into industrial, business and other vocational programs and fewer into the purely academic. I should state at this point that while some parents might object to this early streaming, I think in the long run our young people would be much happier, the cost of educating a large proportion of our young would be considerably less, and our students would be much better prepared to enter the work force. I should also emphasize at this point that I am not suggesting that such an apprenticeship program be a mechanism to reduce employment, as were the LIP and OFY Programs. It should not be a "make work" program. Quite the contrary, it should be a well structured and positive program to challenge our young people to learn important skills and trades for a labour market that needs them. Mechanics, machinists, tool and dye makers, various kinds of office skills, and commercial and business positions are in great demand.

● (1410)

What I propose is that after the age of about 15, those best suited for industrial work or secretarial and business occupations, spend half the school day or half the school week in a work-training situation, learning skills that are directly related to changing conditions in industry and business, not to jobs that may be obsolete or redundant in ten years' time. The trainees, of course, would not be thrown to the mercy of a tough boss whose only aim was to get as much sweat out of them at the lowest possible subsidized wages. Rather, all trainees would be under the umbrella of local boards of education and local manpower centres. Supervisors from both the local CMC and board of education would oversee the program. Employers would be subsidized to some extent but the emphasis would be placed on wages for services performed while the student was learning a skill. Apart from learning a useful skill or trade and earning an income at the same time he is attending school, the student would gain a greater sense of responsibility and achievement.

It is indeed, Mr. Speaker, a sad commentary on modern educational techniques in Canada today that so many of our young people have become so disillusioned, not only about work, but about life in general. I do not blame the schools alone, but certainly they must share in the blame. Far too many of our young people approach life with indifference and apathy, wandering in a society that on the one hand damns them for being cynical and lazy, but on the other, gives them so little incentive to be productive citizens. This holds true, of course, for older people in the work force, who have become the victims of job obsolescence without any meaningful alternatives except, to a considerable degree, equally obsolescent manpower retraining schemes, or even worse, a life ahead of jumping from one job to another and living on social assistance between jobs.

Another area where Canada Manpower could improve its operations is in the north. It is painfully obvious that there is a lack of firm policy with respect to settling the north as well as developing it with well-trained personnel who will remain in the more remote areas of Canada as well adjusted people.

There are horrendous implications as both highly skilled professionals as well as tradesmen and labourers prefer the amenities and advantages of working and living in southern cities because of their relative comfort and social and cultural diversities. Obviously, the native peoples of the north should be given preference for jobs if they want to accept the white man's socio-economic work ethic. But greater encouragement should also be given to people from southern communities as well. If Siberia can be developed, then Canada's north can be, too. I am not here referring to slave labour camps, either.

It seems to me, Mr. Speaker, that in order to encourage Canadians to move north, provided there is suitable employment—and here we should be very careful to see there is guaranteed employment—certain steps should be taken. Not only should salaries and wages be higher, but these added benefits should not be wiped out by higher living costs so that in reality the northern worker is no better off materially than he would be if he remained in southern Canada. This, of course, is the major problem today. People move north because they are attracted by higher wage offers, and when they get there they find out that a loaf of bread or a quart of milk is five cents, ten cents or twelve cents higher than it is at home. Moreover, cheaper housing should be made available. No longer should there be paid holidays spaced throughout the year, including travelling expenses to southern Canada. I would also suggest higher income tax exemptions for those working in the remote areas of northern Canada.

I now come to one aspect relating to Canada Manpower that I find serious and unacceptable, in fact it is an insult to Canada Manpower itself. I am referring to the practice of government departments hiring what is termed "casuals" through private placement agencies, not through their own hiring agency, Canada Manpower. On any given day it is estimated there are 1,500 persons working as casuals in various government offices. The private placement agencies charge anything from 33⅓ per cent to 50 per cent, based either on the first day's salary or on a continuing basis, as long as the casual job exists. Mr. Speaker, some of these so-called casuals work for months. It is reported that one actually worked for two years and was still classified as casual. The average duration of the job is about two weeks. It is estimated that the total bill the government pays to these private placement agencies is about $8 million to $9 million a year, of which approximately $3 million goes in fees to the private agencies.

I have nothing against private placement agencies, Mr. Speaker, but why should the government not use its own Manpower facilities? And this could be done. I am not in the habit of praising the Ontario government because I do not often find anything to praise, but I would like to make the point that it has set up its own bureau or pool for casuals and charges the Ontario treasury only 5 per cent, not 33⅓ per cent or 50 per cent as the federal government is paying for casual workers. I suggest this kind of setup also has UIC implications as well. It encourages casuals to work only one day a week, say for $25 and still collect unemployment insurance, though I am told that the placement agencies try to prevent this.

Mr. Speaker, I was going to continue by discussing unemployment insurance in more detail but I realize that my time is running short so I shall not present that section of my speech.

● (1420)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I am very happy to join those who have participated in this debate in congratulating His Excellency the Governor General and his wife on their appointment. The qualities they bring are the guarantee that they will perform their duties with dignity. I also join my colleagues in congratulating the movers of the Address in Reply to the Speech from the Throne, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier): they had a rather difficult task and they performed it well.

During this debate, I had the opportunity of hearing several of the speeches made by hon. members of the government and of the opposition, party leaders, ministers and ministerial hopefuls. However, I noticed that few solutions had been found to at least a reasonable percentage of the many problems now confronting the Canadian people.

I noted carefully the contents of the Speech from the Throne at the opening of this session and noticed that while it summarized good intentions, it gave few specifics on the means the government intends to use to improve the situation.

Our administrators are suffering from the inflationary fever they helped give rise to and maintain without trying to improve the situation. Our financial system is sick; it has grown into a cancer that feeds ceaselessly on the economic blood of the nation.

Our specialists, or those who think they are, try to give us the impression that they hope to find cures to the ills of society.

Evidence is such that they cannot deny the existence of economic unease. Still, the results of their research prove that there are too many doctors attending the patient.

Many of them have already admitted their inability to find solutions; they would have the people believe that the illness is international. That is easy to say, but by no means a solution.

Others, who aspire to the leadership of this country, advocate a price freeze, without foreseeing what would happen when the thaw comes. They should at least define their intentions.

I shall attempt to outline some aspects of the present economic situation which further complicate life for Canadians and whose ill effects, that are often demoralizing, could be alleviated through a better balanced distribution system.

Politicians are unable, it seems, to explain the fact that there are poor people who live miserably in a rich country. We see that the previous generation did not waste its time and that today's asserts itself through its knowledge in various fields.

There is however a fly in the ointment. Having reached peaks in the area of production and communication, we are unable to set up exchange methods for available goods.

Instead of basing our economic system on logic, according to a natural order, we remain stuck with a system of scarcity of means to distribute the existing wealth, with the result that thousands of Canadians live in slums even though we have enough materials available to build decent housing.

Many Canadians must depend on welfare not to starve in a country that can advertise through every possible means a whole variety of products.

I do not think it is necessary to have attended university to admit that man has been created with needs to be filled; the need to eat, to dress, to have a home, to love, to help each other and to unite. These needs were not instilled into man by politicians or financiers. All proceeded from creation. The natural right to live existed well before the formation of political parties or unions. We also admit that the Creator in His wisdom has provided for all our needs and we are fortunate in Canada to have abundant resources. The Minister of Industry, Trade and Commerce (Mr. Gillespie) travels in various countries to offer our excess production.

Our problems are not due to our inability to produce or build, but rather to our ability to pay. We have the physical capacity, but we do not have the financial means. Our production system is satisfactory, but our financial system is inadequate. This question is always with us and should be looked into more fully than it has been up to now in order to develop a mechanism which would make financially possible what is morally good and physically possible. If we really want to build a better future than today we will have to further our investigations in that respect.

This government has submitted a list of various bills it intends to introduce in this House in the second session of this 29th Parliament. I hope those bills will be drafted in a comprehensible style, thus avoiding the many difficulties that generally flow from bills that are too complicated which inevitably result in problems of comprehension and interpretation that often require for those who would want to take advantage of them the services of legal advisers to define what are the rights and privileges of each and everyone.

The 1971 Unemployment Insurance Act will undoubtedly have to be amended. I read recently in *La Presse* an article where the chairman of that group was reported as having put the UIC back on the track. One can only infer that it had been off the track for a while. The whole thing was operating strangely. I would hope that the methods of application and the amendments brought in will not be too complicated by technocrats who never experienced the difficulties faced by the unemployed. A situation of confusion was created with the results we know—months of backlog in the payment of benefits, overpayments, double payments, or no payment at all, for all sorts of reasons one as trivial as the other. Eligibility was compromised because of supplement periods, reference periods, extension periods, severance periods, holiday credits considered as gains. To complete the picture payments were centralized through a team of push-button civil servants who were fed often distorted statistics and who tried to control more or less—often less than more—by operating computers overloaded with income tax calculations which resulted in increasing errors and hardships for the unemployed.

I also noted at items 14 and 15 of the list of legislative measures two bills dealing with banks—one to amend the Bank Act and the other to set up a Federal Business Development Bank.

My colleague, the hon. member for Villeneuve (Mr. Tétrault), explained in the House on March 7 the role of the present banking system with figures supporting his thesis. Let us hope that legislators will take into account the fact that man was created before money, that the latter is only an instrument of exchange and its role is to serve and not to enslave. We must establish a real mechanism for the distribution of wealth.

● (1430)

In the Speech from the Throne, there is also a measure concerning the status of women. Let us hope that we will recognize the necessity of establishing a satisfactory balance as regards women's rights so that they can benefit from the advantages they deserve.

There is also a measure creating a federal commission on human rights. I would like to note that there is already a Canadian Bill of Rights. However, the right to economic advantages are not mentioned in this bill. Freedom in its various forms is discussed, but political rights are involved and we know that the latter are often used to the detriment of others' right. There seems to be a tendency to claim rights while ignoring important duties. I regret to note this serious gap in previous bills of human rights. They don't deal with the economic rights of the individual. It is nevertheless logical to conclude that, if any individual has a right to live, he must have therefore a right to the goods which are necessary to life.

We are favoured with a wealth of all kinds of goods but apparently we are not clever enough to find a way of distributing the goods which are available to us and which could be multiplied by modern means of production which improve continuously.

The Speech from the Throne also deals with amendments to be brought to the Canada Pension Plan. I read from the speech and I quote:

The federal and provincial governments have agreed that the Canada and Quebec Pension Plans should be further amended to provide for increases, beyond 1975, in the levels of income upon which contributions may be made, and in the pensions which will be paid. Legislation will be introduced to remove the earnings test now required for people aged 65 to 69 from the Canada Pension Plan. Finally, federal and provincial ministers have agreed that the provisions which now accord differential treatment to men and women under the Canada and Quebec Pension Plans should be removed.

Several improvements will have to be brought. When revising the pension plan, it would be quite normal to try to examine the possibilities, and I know there are some, of establishing the retirement age at 60.

Several countries have already brought down the retirement age to 60: Denmark, New Zealand, Australia. And so it is in other countries too. Very often we follow the example of various countries. Let us follow it for good things, and not only for bad things.

Young people who don't work now and get discouraged would find, thanks to vacant positions, the work that would help them spend their energies, use up their time and give them hope to settle down and raise a family. Finally, the young people would find their ideals instead of losing them, as it happens at present.

Is it not a shame, in a nation like ours, that a family head of 60 years be compelled to provide a living to unemployed of 20 or 25 years. The contrary would be more in keeping with standards. In a country as rich and as prosperous as ours, it is normal that people retire at 55 or 60, but to find idle men aged 20, 25, or 30 is abominable and discreditable.

I would not conclude my remarks without saying a word about energy which has been talked about so much. I know there is a lot more to say on this matter. I had the opportunity of reading an editorial in *Meunier québécois*, which sums up the situation quite well, and I should like to onclude by quoting this article which, to my mind, reflects the opinion of the majority of Canadians.

The opinion expressed in the December 1973 issues of *Le Meunier québécois* concerning the chaotic situation resulting from the energy crisis is so pertinent that I shall quote a number of excerpts from it. Of course, I am still talking about Mr. Blanchard's article:

The great advantage of the present crisis is to make us realize how true federalism could function if it were really allowed to funtion fully and unreservedly to the benefit of all Canadians.

Oil and grains are both national products.

—for he was dealing both with agriculture and oil energy—

They are both treated with solicitude by the federal government which, with taxpayers' money, creates either a national oil corporation by investing $40 million as is presently the case, or a wheat board, as was the case in the past, again with money coming from all Canadians, and favoured by all federal services.

In all logic and fairness, these goods should be available to all Canadians at the same price, and mechanisms for equitable distribution should be provided through legislation. Otherwise how will it ever be possible, for instance, to reimburse eastern Canada for paying for western development and to compensate the Atlantic provinces for the artificial draining of industrial development willingly created by Ottawa policies?

[Mr. Dionne.]

The energy crisis will perhaps result in forcing central and western Canadians to think of all Canadians, to reconsider their economic philosophy, not in terms of a selfish and provincial development, but in terms of a planned and continental development.

A way was opened during the critical review of our grain policy which, while keeping eastern Canada as hostage, was annihilating eastern agriculture to the detriment of collective interests, especially consumers' interests.

Another avenue has just opened tearing away the Borden line that was devised to further benefit regional interests against the principles and practice of free trade between the provinces that are favourable to the development of a sound federalism. Through tearing into pieces a Canadian constitution that is soiled and torn by so many blows that reasons of state seem to justify, such as those that were struck according to Caesar's technique, will crises finally launch the country beyond its domestic disputes towards new horizons?

This is undoubtedly the dream of both smaller and greater Canadian citizens.

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, the new time limits unfortunately make it difficult to observe the courtesies that are normally extended during this debate.

[*Translation*]

Nevertheless, I wish to pay tribute to the dignified representatives of the Queen, His Excellency the Governor General and his charming wife, and to offer them the best wishes of my constituents for a quiet and flourishing future in their new duties, as well as to wish them a pleasant journey in the riding of Esquimalt-Saanich where they are expected in early April.

[*English*]

Without further ado, Mr. Speaker, I will turn to the substance of my contribution to this debate. My concern today is with that class of persons virtually overlooked in the Speech from the Throne, the elderly, those living on fixed limited incomes. However, I do not intend to get into any auction to outbid other members or other parties by suggesting increased pension levels. Rather, my plan is to explore the few ideas the intent of which would be to contribute to the alleviation of their present worries, that is shortage of real income to bear the brunt of inflation and taxation.

I ask myself why, in their advanced years, they should have the problems of inflation and heavy taxation to deal with in addition to all their other problems such as, sickness possibly, oft times loneliness and frequently frustration at not being able to do as quickly the things they once did with such ease. We cannot disregard this part of our community. We are what we are because of the sacrifices they made for us. They do not expect sacrifices from us for them, but I say, why should we not do something for them even if it costs a sacrifice or two? We are an extremely fortunate generation, thanks in large part to their efforts. Let us not forget that.

If this land is strong, Mr. Speaker, the credit goes entirely to those from whom we inherited this land and our institutions. It is arrogance supreme to suggest otherwise. I am hoping that out of the various proposals that I shall be making, one or two, individually or in combination, will prove acceptable to this government or its replacement after the next election, hopefully a Conservative government.

To set the scene in realism, I wish to read part of a letter that reached me only last week as I was preparing my remarks for this debate. It is a direct reflection on our performance as parliamentarians and, unfortunately, a well merited one. It confirms my decision that the line of my thinking is one I ought to take in this debate. The correspondence reads in part:

> Those of us who began to buy our pensions fifty or sixty years ago, and who have been forced into retirement for the past fifteen or twenty years, find that our pensions plus the Old Age Security amount to little more than the Old Age Security plus the Supplement. We struggled to save money and we struggled to pay our taxes and are now no better off than those who saved nothing and, in many cases, paid no taxes either.
>
> Now we still have to struggle to pay our little $300 or $400 income taxes . . .
>
> I'm sure that you . . . realize . . . the difficulties of those who find themselves on fixed incomes and pensions tied to pre-inflation levels. . . . I can only hope that my plea . . . will cause you to raise your voice even louder than before.

This, Mr. Speaker, is a cri de coeur. There is something drastically wrong when citizens with the foresight to make provision for their declining years feel compelled to let out a cry like that. Having saved in their younger days, they do not begrudge the man who tries to save today. What they deplore is that they should have to go on paying in order to support those who are unwilling to save, or who are deriving benefits from social services which are available now but which were not available in their day. A balance must somehow be restored. The middle income group, about which I am speaking, is the source of much of the government's income tax revenue. These people are the backbone of our society, not only in numbers but in attitude. Let us not forget this. Those who can continue to find employment and who can secure adjustments in their wages may be able to shoulder the burden of rising costs and heavier taxation. Those who have retired and who are living on fixed incomes cannot. They must be relieved of at least part of the burden under which they labour.

● (1440)

This brings me to the proposal I wish to put forward. Thinking through these ideas I found it necessary to develop a dual concept involving an existence income level and a comfort income level—those terms could be defined without too much trouble; their names convey what is meant clearly enough. My purpose in introducing these notions is to suggest that those on pensions should be permitted a deduction level much higher than the present level of deductions for income tax purposes in order to achieve the comfort income level. I am referring to those on fixed incomes aged 65 or more.

The existence level is introduced for the same class of person. It is much lower than the comfort level, as its name implies, and is intended to be the deduction level for income tax purposes applicable to persons who are fortunate enough to enjoy incomes in excess of the comfort level. What I am endeavouring to do is to discriminate in favour of the provident. I have no built in objection to making discriminatory judgments; I am sure we all make judgments of this kind day after day. Indeed, I see every reason for making discriminatory judgments in this case. Certainly, there is no reason for penalizing anybody once the age of retirement has been reached, and preventing him from taking advantage of his providence. Further, in these improvident days there is something to be said in favour of encouraging providence. The notion that one needs to provide for one's own future is being discarded as outmoded. But it is not. It is one we should strive to maintain, and for this reason I suggest a revised income tax scale applicable to the elderly.

Next, I think of the widow or widower who suddenly finds that the family income has been halved through the death of a partner. Unfortunately, it is not only those who draw OAS benefits who find themselves in this plight. It occurs equally to those receiving superannuation benefits, not to mention those in receipt of disability pensions. Why should this be? What puzzles me is the way in which those who devise these schemes ignore the fact that a number of expenses continue unaffected—telephone bills, mortgage payments, light and heat, household repairs, and so on. In the case of contributive schemes why, I feel obliged to ask, should income be halved when the nominal contributor dies but remain untouched when the other spouse dies, the so-called non-contributor. There is real discrimination here. By my reckoning, the partners in any marriage are contributors on an equal footing to any superannuation scheme they may have chosen.

As far as I am concerned, deductions from the pay cheque are deductions from the family income—the disposable family income is reduced by that amount. Why, then, should the wife, say, be deprived of half the pension just because the husband dies whereas, should the wife die, the husband's income continues unabated. This is discrimination on the basis of sex, if you like. I see that, according to the newspapers this morning, Ontario is thinking along these lines. High time we all did—but don't put me down as a women's liber for having said so. I am not. While we are on the subject of discrimination I might point out that the whole area of the pension rights of the housewife whether contributing or not, will have to be sorted out.

But let me get back to my main theme. I was asking how it came about that those who devised these various schemes failed to take into account continuing unaffected expenses. I had in mind the odd jobs around the house, like fixing a leaky tap or repairing an electrical connection or cutting a lawn. Such tasks now have to be paid for by a person living on half the pension which was formerly available. The method used in the treatment of widows and widowers also adversely affects persons receiving disability pensions. A friend of mine who was blinded during the war was awarded a disability pension on that account and received, as well, special pension assistance because his wife was an essential help to him. He lost that special pension assistance when his wife died. He even lost the monetary ability to hire daily help. And he was a blind man, at that. Who drew up these regulations which result in such hardship on occasion? Why do we not change them? So, I speak up for a more realistic and humanistic approach to the monetary consequences which flow from bereavement such as those consequences affecting income derived from annuities and pensions.

I also have in mind those whose income falls between my existence level and my comfort level and who are age

65 or over. I suggest they might be exempted from liability to pay municipal taxes on property. This may appear to be an invasion of the provincial revenue field, but my proposal goes further to suggest that any revenue which the municipalities might lose in consequence of such a remission would be made up by the federal authority, on application. This, again, is obviously a discriminatory benefit. Therefore, I would extend this tax advantage to those elderly people who are living in rented accommodation so that they would be exempted from the municipal tax portion of their rent.

I speak next of those who, in their earlier days, laid aside funds, as in our youth we were all taught to do, those who saved, and who now find that those savings are subject to a capital gains tax. They find that the time has come to use those savings either to meet a need, possibly because of high medical expenditures, or simply to enjoy a trip around the world. When they come to count their money they realize that part of it is subject to tax. Why should they now be denied, the full benefit of having put away a few thousand dollars? Do not trot out the argument about cheating succession duties. First of all, I am not talking so much about those who leave estates of a value which would attract succession duties. I am talking about those who have tucked $3,000 or $4,000 away for a second honeymoon splurge. I have in mind those below the comfort level. I insist that it should not be beyond the ingenuity of our tax collectors, if they are properly instructed and inspired, to set levels above which these advantages might not apply and below which they should.

● (1450)

Finally, I should like to elaborate briefly on a further benefit which, in my view, ought to be available to those of our elderly who, for one reason or another, choose not to take advantage of such pension schemes as old age security. Why should these people not be permitted, if they do not need these funds now, to arrange their deferment so they can be used later when they are in need or in want or, failing that, can be included in their estate when they die?

I have other notions, Mr. Speaker, but I see my time has elapsed.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I am pleased to begin this new session by taking part in this debate. Let me, Mr. Speaker, reiterate my deep gratitude for the enormous work that this venerable House, under your presidency, has managed to accomplish during the first session. It is a considerable and positive achievement, considering the magnitude of the task that awaited us barely a year ago. That is something to be very proud of.

I join the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier) in paying my tributes to His Excellency the Governor General and to Madame Léger. I represent, Mr. Speaker, the riding of Ottawa-Vanier where the vice-regal couple resides.

Needless to say, Mr. Speaker, how much I enjoyed my first year as a member. In the House of Commons, as elsewhere, it is very pleasant. I have met men and women with different cultural and professional backgrounds, but united by the same desire for objectivity, working and living an exceptional experience for the development of the Canadian society and the well-being of our people.

Therefore, I am immensely pleased with the tremendous work accomplished by the right hon. Prime Minister Trudeau's government.

Mr. Speaker, if I may, I would like to point out some of my pet projects which I intend to submit to the House this year.

One of them will be related to the creation of a school of higher studies in public administration. The objective is to guarantee the presence in the public service of people whose experience, competence and ability will designate as capable of fulfilling administrative duties, through democratic recruiting and a happy combination of knowledge and experience. A school of public administration would enable public servants to get further training, to specialize in the execution of their own duties, that is those of senior administrators.

The courses would also be offered to university graduates who want to pursue a career in the public service.

Today, training and development programs for federal public servants are partly within the jurisdiction of the Treasury Board and the Public Service Commission. We do of course send public servants to highly specialized institutions to complete their education. We are now sending some of them in Great Britain and France.

We also have agreements with Carleton and Ottawa universities for courses in public administration and management sciences. In addition we have the CAP program, which is the Career Assignment Program.

This study and training program, followed by on-the-job training periods, makes it possible for promising intermediate managers to develop their skills more rapidly and to accede later to senior managerial positions.

But this program is open to fewer than one hundred persons every year. Of course, many public servants will never have the opportunity to follow such accelerated courses, even if they have the required capabilities to apply for intermediate or senior managerial positions.

It is therefore important to consider seriously the creation of a bilingual school of higher studies in public administration.

If the government were interested in such a project, we could find here in Ottawa appropriate quarters where students could be given their theoretical and practical training, in the very heart of government activities.

[*English*]

Since the hon. member for Grenville-Carleton (Mr. Baker) has once again demonstrated, as usual, his lack of knowledge concerning bilingualism, I should like now to address myself to this most important question of bilingualism.

I, too, have the honour of representing in the House many citizens employed as public servants, by crown corporations and agencies. Members of the armed forces of Canada as well as their families who reside in my riding. The hon. member for Grenville-Carleton has implied that civil servants in his riding are critical of and impatient with the process of identification and designation of posi-

tions for the purpose of implementing the bilingualism policy of this parliament.

In essence, in his speech on March 8, 1974, the hon. member for Grenville-Carleton said that he has received more mail and more telephone calls on this question than on any other subject. As reported at page 342 of *Hansard* for March 8 the hon. member said:

From the tone of these letters and telephone calls it is alarmingly evident that the difficulty of implementation of a policy of unilingualism in the public service that was to be overcome by the guidelines approved by parliament has in fact become more intense and as a result I believe the morale of the public service is being seriously undermined. I say to you, Mr. Speaker, that the service is being damaged as a result.

By virtue of this statement the hon. member for Grenville-Carleton is again demonstrating his lack of understanding of the fundamentals of bilingualism. As the Ottawa *Journal* stated in their lead editorial of February 20, 1974:

Neither Grenville-Carleton MP Walter Baker nor anyone else is able at this time to say whether 50,000 bilingual positions out of some 260,000 positions in the public service are too many or too few. It is unfortunate that Mr. Baker rushed in so quickly with his intemperate criticism. His impetuosity and his apparent failure to recognize all the reasons for bilingualism call into question once more his commitment to the Official Languages Act beyond lip-service and mere tokenism.

Such an attitude may be understandable, even excusable in MPs from out of the way places; it is not to be condoned in any MP — from any part — representing a constituency in the National Capital region. Mr. Baker has yet to achieve the breadth of vision on this subject of his leader, Robert Stanfield.

I agree with the Ottawa *Journal* that the hon. member for Grenville-Carleton is only paying lip-service and giving mere tokenism to bilingualism, and by so doing he is rendering a disservice to Canada and Canadians.

To further demonstrate his lack of understanding, he stated, as reported on page 342 of *Hansard:*

The 1976 deadline was established for an estimate of 25,000 bilingual positions.

It has been stated time and time again by the President of the Treasury Board (Mr. Drury) that the target date aimed at is 1978, not 1976. This is evidence again of his lack of understanding of bilingualism and, more importantly, its implementation as it affects the public service.

In the interest of truth and accuracy, I want to make it clear that the target date for designation of bilingual positions within the public service is 1978 and that it never was 1976. The hon. member for Grenville-Carleton also stated on the CTV network on Saturday last that the target date was 1976, and this, as I have stated, is not true. It is now very apparent that the hon. member for Grenville-Carleton's avowed policy of unilingualism in the civil service and, in the words of the Ottawa *Journal*, "his apparent failure to recognize all the reasons for bilingualism" call into question once more his commitment to the Official Languages Act beyond lipservice and mere tokenism. That, coupled with his inexcusable ignorance of the target date with respect to implementation and designation, indicates quite clearly that this House and the general public have been misled, not through dishonesty but through his ignorance of the facts.

This attitude does not surprise me. It is witness to his real intention and possible thoughts on this whole question, and it supports the position some of his colleagues in this House have expressed frequently. These ardent supporters of the status quo have been crying and moaning about things bilingual for the last six years. It is always, in their view, being implemented too fast, too much, too costly. The only avowed policy some Conservative members seem to extol regarding bilingualism is to give lip support to the principle, but by all means slow down and stop the implementation of this important and vital national policy.

Mr. Paproski: That is not true.

● (1500)

Mr. Gauthier (Ottawa-Vanier): That is what you say. Rather than help in the difficult task of achieving the effective implementation of institutional bilingualism, some members of the Official Opposition cultivate the fear psychosis, and suggest that whatever is done is always too fast, too costly and too much. As a matter of fact, some members in the opposition have become the moral guarantors for every bigot across this country who quotes them and uses them to destroy rather than to build this Canada of ours. At this time no one would deny that the working language in inter-departmental exchanges is English. I do not dispute this fact. No one can read anything into the present law in respect of such exchanges. Neither this parliament, the staff associations nor public servants are advocating a policy of unilingualism, and I suggest that the hon. member for Grenville-Carleton is retrograde in this approach.

Many bilingual Francophones have come to work and have had to work in the English language, not because of preference but because of necessity. In a document filed by the Public Service Commission it is stated that in 1971, for example, of the 88,484 public service appointments in that year 21.4 per cent claimed French as their working language, yet only 11 per cent were appointed to positions requiring this language. In subsequent years, 1972 and 1973, the same report stated that an increased percentage of Canadians working in the Public Service are able to work, if they so desire and are needed, in the official language of their choice. It is only fair to say that if anybody should be pressuring and showing their impatience it is the thousands of bilingual civil servants who have been working in their second language, or the unilingual French, for that matter, who have had little chance of making a career in the public service.

The resolution adopted by parliament last year is not a threat to job security or promotion; it is a reasonable plan for equilibrium and equality. Nobody is born bilingual; he or she must be trained. This government is making a determined and commendable effort to promote institutional and individual bilingualism through training and understanding. The Official Languages Act and the program of bilingualism in the federal public service simply recognizes the realities of Canada as it is today.

The real solution lies in our educational system. This government has, for this obvious reason and also because of the previous unproductive system of teaching a second language in our schools, encouraged language training, and has dispensed in the last five years $300 million to our provinces. These special educational grants were for the

purpose of improving and extending second-language training. Was this too much, too fast and too costly? I suggest that only the results will tell us that. In the Ottawa metropolitan area alone the Secretary of State (Mr. Faulkner) in 1973 added another $2 million a year for two years to finance an experimental program of new methods of teaching French to our English-speaking students. Provincial authorities should take up this program, particularly because of its importance in the Ottawa capital. Has this been too much, too fast and too costly? I suggest it has been quite the contrary.

Attitudes on bilingualism are changing and have changed. Bilingualism never meant, be it institutional or individual, that all Canadians should become bilingual. The capital of this country should rightly reflect the Canadian reality and, to the credit of the Ottawa and Carleton school boards, they are offering better courses in second-language training through government assistance to provincial education programs. I hope and pray that with understanding and love this issue of bilingualism will be better understood. Progress is apparent, and this is for the betterment and the unification of our country.

[*Translation*]

As a tangible example of understanding as to real bilingualism, I should like to deal now with my constituency and especially the city of Vanier.

Bill C-232 changed the name of my constituency of Ottawa East to that of Ottawa-Vanier. The purpose of such a change was certainly to promote further the bilingual identity of my constituency and more expecially to identify the city of Vanier as an integral part of our beautiful national capital. Under the able leadership of a far-sighted municipal government, the city of Vanier now has a master development plan. The recent decision to build the Vanier thoroughfare as a driveway rather than as a speedway, will contribute to the achievement of a road network through an economic commercial center, that will take into account the aesthetic aspect as well as the quality of life that citizens of that municipality wish to preserve. On account of its geographical situation, east of Ottawa's development centres, Vanier could not benefit from a swift and striking commercial expansion as some other sectors of our national capital.

Often forgotten as regards federal building projects, Vanier with its 23,000 citizens should hold the attention of federal planners when it comes to finding sites for public buildings. The National Capital Commission was created to draft plans for the development and improvement of the national capital area and should help Vanier so that the nature and character of the Canadian government centre may be in accordance with its national importance.

At the dawn of its new development, the city of Vanier should get from government agencies, such as the Central Mortgage and Housing Corporation, the National Capital Commission and the Department of Public Works, assistance for preserving, restoring and improving that fair municipality.

The Acting Speaker (Mr. Laniel): Order. I regret to have to interrupt the hon. member, but the time allotted to him has expired.

[Mr. Gauthier (Ottawa-Vanier).]

[*English*]

Mr. Baker: Mr. Speaker, I rise on a question of privilege. Had I been here this morning I would have risen on motions, but unavoidably I could not be here at eleven o'clock. There is a misprint in *Hansard*, the record of this House, which I can either correct now with the consent of my colleagues in the House or wait until tomorrow which would be the first opportunity in the normal course. I refer to page 342 in the second last paragraph where the word "unilingualism" appears. That should have been, and in fact the text that went to *Hansard* read in this way, "bilingualism". This may have caused some misunderstanding, and with the consent of the House I would ask that the word "unilingualism" as it appears in the second last paragraph of the first column of page 342 be changed to read "bilingualism" in order that the sentence would read—

The Acting Speaker (Mr. Laniel): Order, please. The hon. member knows that there is a procedure by which one can make a correction. I understand the importance of the point he wants to bring to the attention of the House. I think he has made his point. All hon. members, I am sure, are aware of the importance of the matter to the hon. member, but I think he should follow the normal procedure tomorrow.

Mr. Baker: Thank you very much, Mr. Speaker. I am quite prepared to abide by that ruling, but of course this makes a considerable difference to the whole import of the last contribution to the debate.

Mr. Paproski: Especially when you have other speakers like Gauthier.

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, before getting into my remarks on the Speech from the Throne I should like to congratulate the hon. members for Spadina (Mr. Stollery) and Sherbrooke (Mr. Pelletier) for their excellent presentations. Those two gentlemen talked in glowing terms about some country where all of the manifest problems of poverty, regional disparity, unemployment and all the other human problems had been solved by some supergovernment. I am afraid I did not catch the name of the country they were describing, but I assume it must have been Utopia, or perhaps Shangri La. They certainly could not have been talking about Canada, as anyone who can see, read and hear knows that those problems exist in Canada in abundance. In fact, they happen to be the most abundant commodities we have.

At page 12 of *Hansard* for February 27, the hon. member for Sherbrooke is reported as stating:

—the wealthiest country in the world, spending huge amounts, did not succeed in eliminating poverty.

I thought the hon. member was talking about this country and this government, but it turned out that he was speaking of the United States.

I do not know of a country in the world that has more resources, more unused manpower, more potential or more ingenuity when compared to our population than does our own country of Canada. Why then do we have so many people living in our bountiful society at or below the poverty line? Why do we have so many unemployed? Why

do we allow inflation to run unchecked, eroding the buying power of millions of families that have to provide shelter, food and clothing for themselves and their children?

● (1510)

I was intrigued by the statement of the hon. member for Sherbrooke that the United States had spent huge sums of money, but had failed to eliminate poverty from that country. I wonder what the hon. member thinks his colleagues on that side of the House have been doing for the past six years. We all know they have been spending money as if it were going out of style. And I will tell the hon. members across the floor that they have failed, utterly and completely, to eliminate poverty from this country. They have failed to eliminate regional disparities, and they have failed to provide jobs for the people in our country who want to work. What they have succeeded in doing has been to destroy the work ethic, divide our country into regional blocs, and to destroy the efficiency of the public service.

I suggest to members across the floor that they might as well not close and lock the door to the public treasury. The cupboard must be pretty bare by now. Right now the government is spending money that we do not have, and that leads me to believe that there is not any more left in the treasury. Last year, for instance, the gross public debt was $51.8 billion and the net national debt represented about $1,000 for every man, woman and child in Canada. I do not know yet what it is for the fiscal year ending March 31, 1974, but it must be in the area of $55 billion. We do know from the estimates, though, that it will cost $2.9 billions this year just to service the national debt. That is money we cannot spend on services or benefits because, in effect, it has already been spent. This is money down the drain. That takes care of Shangri La and Utopia, Mr. Speaker. It is a very sad awakening, but it is reality, and I say to the government members, and especially to the cabinet members who are squandering our money, stop building castles in the sky; stop living in a dream world and come down here and face reality.

The problems we had when the present government took over are still with us. In fact, they are even worse now, and there are some new ones. There are new problems that have resulted from over-spending, inefficiency and just plain bungling. Those problems will not just disappear. They must be dealt with. But first, Mr. Speaker, the government will have to face up squarely to those problems, instead of trying to smother them with borrowed money.

I see that, according to the estimates, the government intends to create a few more agencies and corporations, possibly even some departments. This is scandalous, Mr. Speaker, but I have to admit that it is typical of the way the present government operates. If a department or agency is not able to cope with a given situation, create a new agency alongside the old, and transfer the responsibilities to the new one. Then you have two or three agencies fumbling with the same problems. We have more agencies and departments in our government than any other country in the western world and more cabinet ministers. We have more ministers in our federal cabinet than either the United States or Great Britain, and yet we do not seem to be able to get a clear answer from the cabinet on even the most simple and clear-cut issues.

There are 47 members of the government caucus who are either ministers or parliamentary secretaries, almost 50 per cent of the entire caucus. I can't help thinking there must be an awful lot of jockeying over there for positions of power, and the authority to spend those billions of dollars in the estimates. It is easy to understand why they seem to have so much trouble making decisions on even the most vital issues facing the country. It is abundantly clear by now that whatever it is they are doing, they are doing very much for the Canadian people. It is time they started looking after the business of running the country. The present government has more than doubled the national budget in only six years, and I do not think it is too much to expect the government to start showing some results for all that money.

The Unemployment Insurance Commission is in a scandalous mess and, in fact, the whole system of social services in Canada today is in a mess. Who would have imagined just six years ago that the cost of the UIC would rise to more than $2 billion by the year 1973? And that seems to be only the beginning. UIC is already showing signs of surpassing that figure in the coming year, and still the government refuses to undertake a full inquiry of the program, and of the department that is administering the program. This is a very vital program, Mr. Speaker. It was designed to provide assistance to people in the work force who, for a variety of reasons, might find themselves unemployed. Every member of this House accepts the UIC, and the concept behind it, as a responsibility of the government. It is not the UIC to which we in the official opposition are objecting. It is the administration that we quarrel with, and for very good reasons.

The Leader of the Opposition (Mr. Stanfield) has called for an inquiry into the operation of the UIC, stating that the agency has been operating under a cloud of suspicion for a very long time, and that it is time to clear the air. I agree with that wholeheartedly, and I would add that if we undertake an investigation into the administration of UIC, a lot of heads will roll. It should be obvious to anyone that a large percentage of the two billion dollars spent last year on UIC went to sources other than the legitimate claimants who had paid premiums into the program. An overhaul of UIC would give us an opportunity to do something else very important. It would allow us to restructure the whole manpower-UIC set-up. We would be able to develop programs whereby people could be trained for the jobs that exist, jobs that cannot presently be filled from the labour pool. Advances in technology have passed tens of thousands of people by, leaving them in a situation where they would like to work but cannot qualify for the jobs that are offered them.

I get letters from leaders in industry pointing out difficulties faced by employers in filling job vacancies. Many industries just cannot afford to train prospective employees. In many other cases people are trained for jobs and, after they have worked for the minimum period required to qualify for UIC benefits, they contrive to get themselves fired or just quit, forcing the employer to go through the training process all over again. Other employers have told me that people who are receiving unemploy-

ment benefits will conduct themselves in job interviews in such a way as to discourage employers from hiring them. In spite of the fact that the present government appears to be bent on destroying the traditional Canadian work ethic, I am convinced that the vast majority of Canadians want to work. They want to work at jobs that pay a living wage, jobs that have some promise of advancement and jobs that are not deadends in themselves. The provision of such jobs is not an impossible task for government. We have the human and natural resources; we have the ingenuity and, most of all, we have the responsibility to provide incentives and opportunities.

I should mention here that every time the government gets caught in an obvious blunder or boondoggle, which happens with tiresome regularity, the minister involved in the blunder tries to place the blame at the feet of the official opposition. Each time they try to do so, it is so obvious that it is often amusing. For instance, in the case of Bill C-125, the minister responsible for the UIC has been saying lately that it was the official opposition that prevented it from being tabled for debate in the House. Bill C-125 would have brought about some needed changes in the administration of UIC, something we in the official opposition have been urging the government to do for the past two or three years. The minister neglected to note that Bill C-125 was a government bill, and that after it had passed first reading it was put on the shelf. The government did not have to worry about the NDP on Bill C-125. The NDP will go along with anything. The government did not have to worry about the Conservative opposition. We were the ones who asked for the bill. No, Mr. Speaker, the minister was worried about his own causus. It was the Libera. caucus that was divided on C-125, and it would have proven embarrassing to the government to have its own members oppose efforts to clean up the mess in the UIC. I predict this failure will come back to haunt them some day soon.

Mr. Speaker, there is another example of bungling that deserves some mention, and that is the matter of the CRTC advertising in newspapers around the country. I have noticed that the CRTC places ads in French in English-language newspapers and in English in French-language newspapers. I ask my colleagues to think about this, Mr. Speaker. A person who does not speak French is asked to read and comprehend an advertisement in the French language. And, in Quebec, a person who does not understand English is asked by CRTC to read and comprehend an advertisement in the English language. This, in my opinion, is a useless waste of the taxpayers money. Unfortunately, that is not an isolated incident. There are indications that in some departments that sort of thing is the norm, and I doubt that the people responsible are aware of just how ludicrous it is. It certainly could not be in the interest of national unity. This sort of thing has the opposite effect. It tends to agitate and alienate people, and too much of that is being done already as witnessed by the remarks of the previous speaker.

● (1520)

I have been speaking out publicly for some time about the way our immigration laws are being administered, and in particular I have been drawing attention to the way foreign students are allowed to enter our country without proper screening and without follow up supervision. People who would not otherwise qualify for landed immigrants status are flooding into the country under cover of our lax foreign student programs, and some of these people are being aided and abetted by corrupt immigration officials. Some of these officials have already been uncovered, but it is highly unlikely that they will all be found out unless a full inquiry is undertaken.

Equally important is the matter of how many so-called students are living underground throughout the country with false documents or without documents of any kind. Those who have papers can get by for an indefinite time unless they are sought out and deported. Those who do not have documentation are at the mercy of unscrupulous employers and underworld figures. A few months ago we had a period of amnesty during which people living here illegally could come forward without fear of prosecution. This was considered to be cheaper than searching them out, and naturally it would have to be considered more humane. What this has done in fact has been to make us out to be a bunch of patsies as far as our immigration laws are concerned. We are the world's greatest pushovers for people who cannot qualify to enter and become citizens of countries with realistic immigration laws. The amnesty period last year was not exactly a success as far as bringing illegal residents out of hiding is concerned. The minister in charge of immigration admitted that only a small percentage of suspected illegal entrants actually came forward and that there are probably many thousands of them still living here underground. Since that time people have been pouring into the country, taking advantage of loopholes in the laws.

The question I ask now is not whether there will be another amnesty, but when. This raises another question, and that is just who is a refugee so far as our immigration laws are concerned. We have established what the government calls "an immigration presence" in Chile to handle applications from Chilean refugees, and the Minister of Manpower and Immigration (Mr. Andras) said that these immigration officers will remain in Chile until at least the end of this year to handle an ongoing refugee program. Is there some magic formula for deciding who is a bona fide refugee, or is it only necessary for a person to sidle up to a Canadian immigration officer and say: "I am a Marxist terrorist and the present government in Chile won't let me engage in subversive activities"? I suggest that is something like the situation because if these people are in so little danger that they can wait for months or a year to be granted paid passage to Canada, then there is something fishy about this whole question of giving refugee status. According to figures released by the immigration department, only a small percentage of ordinary immigration applicants are approved in Chile at present while a very large percentage of refugee applicants are approved.

Our immigration laws are designed to give protection to those people who have a legal right to live in our country, and they are designed to protect our system from those who would come here and plot to tear down everything that we have worked so hard to build. At present these laws do not protect us. They protect the very people whom we should be turning away at our borders. If our immigration laws are too lax, then let us tighten them up. If our laws are adequate and the fault lies with the administra-

tion of the law, then let us root out those who are delinquent. I suggest that there is ample reason to undertake an inquiry into the whole immigration machinery and find out where the fault lies.

In conclusion, Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order, please. I regret the interruption, but it is difficult for me to allow the hon. member to go beyond his time. He has already gone beyond it by a few seconds. According to the order accepted by the House earlier, there is no extension of time allowed.

Mr. Beattie (Hamilton Mountain): I rise on a point of order, Mr. Speaker. I was just about to conclude. I believe you are counting the time that the hon. member used in his question of privilege.

The Acting Speaker (Mr. Laniel): No, I am not. I understand the desire of the hon. member to conclude his speech, but I cannot forget the order that has been accepted earlier. So, I will call upon the Minister of National Health and Welfare.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, exactly 14 months ago, I gave my first speech in the House during the debate on last year's Speech from the Throne. At that time I outlined the five guidelines established by the government as a basis for a comprehensive review of the Canadian social security system, and I indicated the formulas that we had considered for implementing these policy statements.

From the start, we recognized that if such a re-organization of all the social policies of Canada were to become reality and meet its anticipated objectives, we had to obtain the commitment and active participation of all the provinces. Indeed, this is why the working paper on social security in Canada was tabled in the House of Commons in April 1973. In a way, this was the contribution of the federal government to the initial steps of the reform.

The working paper outlined five strategic schemes which appeared appropriate for us to follow with a view to achieving a model of social system. They were supported by 14 proposals which seemed likely to facilitate the implementation of those schemes.

In April 1973, the first of a series of meetings which were to follow brought the welfare ministers together in Ottawa. Moreover, it was with that federal-provincial conference that was officially launched the joint federal-provincial review of the social security system in Canada. Indeed, after having looked into the working paper, the provinces recognized by common agreement that the schemes and the proposals as outlined in the working paper could certainly serve as the starting point and as terms of reference all along the review work.

[*English*]

Mr. Speaker, I am pleased to report that as a result of the leadership of this Liberal government and the hard work of both federal and provincial governments, the joint federal-provincial review group has made excellent progress over the past year. Significant improvements have already been made in a number of federal and provincial social security programs.

First, in July we introduced a new Family Allowances Act which tripled the average allowances for children starting in January of this year. We provided that these benefits would be automatically escalated each year in line with increases in the cost of living to enable Canada's low and middle income families better to meet the increased costs of raising children. Moreover, in order to protect the purchasing power of Canadian families in the face of a rapid worldwide inflation, the government acted swiftly in September to increase family allowance benefits as an interim measure until the proposed increases were effected in January.

The ability of the provinces to adjust family allowance payments to meet the particular needs of their people reflects a new approach to the integration of the social security system in each province under which there is greater provincial flexibility and, at the same time, better co-ordination of federal and provincial elements of the social security system. I suggest that this is a significant step in resolving the deep federal-provincial differences which had developed over how responsibility for social security measures should be divided between the federal government and the provinces, and I suggest again that this is truly a remarkable achievement for federalism.

Second, in April, 1973, old age security pensions were substantially increased. Also, in October we shifted from an annual to a quarterly basis for escalation of both old age security pensions and the guaranteed income supplement to ensure that these benefits keep pace with increases in the cost of living. We have raised the combined pension and supplement from $150 per month in March, 1973 to $187 per month in April, 1974.

Third, in October we introduced changes in the Canada Pension Plan to increase the earnings ceiling for the years 1974 and 1975 and to remove the 2 per cent ceiling on the annual escalation of pension benefits, so that in future benefits would rise in line with the full increase in the cost of living. In addition, the full purchasing power of benefits already in pay on December 31, 1973, was restored.

● (1530)

With these changes, the federal government and the provinces have, in a matter of months, taken together a major step toward harmonizing the Canada and Quebec pension plans. It is a tribute to federal-provincial co-operation as it can be practised, and represents the way this government approaches federal-provincial relations. Furthermore, the government has provided for the automatic escalation of virtually all federal programs, in accordance with increases in the cost of living. I am thinking here particularly of benefits to veterans and the superannuation pensions of federal public servants.

Mr. Speaker, the recent Speech from the Throne has already indicated a number of areas in which we hope to take action this year in order to further improve our social security system. In the very near future I plan to introduce further amendments to the Canada Pension Plan that have been worked out in conjunction with the provincial governments. These amendments will provide for a new formula that will tie the earnings ceiling on

which pension benefits are based each year to an earnings index, the average level of wages and salaries for the year. They will provide for the elimination of the earnings test now in effect for people aged 65 to 69. Such people will then be able to apply for and receive their full Canada Pension Plan retirement benefit without having it reduced to take account of earnings from employment. It is estimated that approximately 35,000 persons, who are at present receiving no pension or only a partial one, will directly benefit from this measure. This removes a discriminatory feature against those persons who work to supplement their pensions because the earnings test only applies to earnings from employment and not from other sources, such as investment.

There will also be an amendment that will ensure equality of treatment for male and female contributors to the Canada Pension Plan. As the government indicated in the Speech from the Throne, this latter change is but one of several measures this government plans to take to improve the status of women in Canada.

[*Translation*]

As to the review of the social security system, the ministers concentrate all their efforts on two specific objectives: first, we must formulate a satisfying concept for an income supplement plan and, second, prepare an efficient collective employment policy.

In view of the enormous and complex task we are undertaking, my provincial counterparts and I do not expect to be able to be through discussing these questions before the end of 1974 or the beginning of 1975.

But there is a statement I wish to make today on a specific question, a specific service, that is daycare services.

[*English*]

The government has placed a high priority on daycare services where there is a social need for such services. This is in keeping with the government's objective of removing barriers to entry to the regular labour market. There is a definite trend whereby married women are entering and re-entering the labour market at all levels. In 1962, there were 870,000 married women in the labour force with a participation rate of 21.6 per cent; in 1970, there were 1.7 million married women in the labour force with a participation rate of nearly 34 per cent. In 1972, the participation rate of women aged 25 to 64 was 40 per cent but the participation rate of young married women aged 20 to 24 was even higher, at 47.4 per cent.

The need for day care services has also been amply demonstrated by the number of LIP projects in this respect. The government recognizes that this need is a continuous one and will make special efforts on a continuing basis to aid those mothers with young children in their care who seek employment but who also want to ensure that their children are properly supervised.

I would remind the House what this government is already doing in this area. As a result of amendments to the Canada Assistance Plan Regulations in 1972, shareable costs for day care services are the full operating costs, including costs of equipment and supplies and rent or depreciation on capital. For all other welfare services, shareable costs are restricted to salaries and related staff costs. The increased cost sharing has given considerable impetus to the development of day care services.

The Canadian Council on Social Development has been given a grant to develop national norms for the development of day care services for children, in collaboration with officials of my department. In addition, consultative services are provided by my department to provinces, municipalities, voluntary agencies and community groups. Hon. members will also recall that the government established in 1972 an information centre on day care. This information centre has proven very efficient and very useful all across the land.

If day care centres are seen by a community as essential facilities to enable mothers with small children to become self-supporting, then we believe we should help to provide such services. Mr. Speaker, I am pleased to be able to announce today our new position on cost-sharing with the provinces of day care services for low and below average income families. The government has approved new policy guidelines for day care services shareable under the Canada Assistance Plan. These guidelines are designed to ensure that federal sharing is available to low and below average income families who need day care services. Priority is given to single parent families, families with health and social problems, working mothers and handicapped children. The guidelines provide for income tested programs in line with the recommendations of the Royal Commission on the Status of Women. Several provinces have already initiated steps in this direction, and several other provinces have given evidence of being interested in the development of similar programs.

In summary, Mr. Speaker, since the social security review was launched we have increased family allowances substantially, provided for greater flexibility in meeting provincial social priorities through variations in family allowances, revised the Canada Pension Plan to bring the ceiling on pensionable earnings closer in line with average wages, provided for the automatic escalation of all federal pensions and allowances on an annual or in some cases a quarterly basis and have taken steps to improve the arrangements under the Canada Assistance Plan for sharing in the costs of day care services provided by the provinces to low and below average income families, and especially to heads of single parent families. All these major steps we have taken during the ten short months that the review has been under way.

Because of the spirit of co-operation evidenced in the federal-provincial conferences and because of the support, encouragement and suggestions received from scores of voluntary organizations, labour unions, trade associations and religious groups, the government is confident that the social security review can be completed by the target date of April, 1975, and that the agreed upon changes can be implemented over the three to five year period which began in April, 1973.

I would like to conclude these remarks, Mr. Speaker, by setting the record straight concerning my department's share of the increase in the budget for next year. There have been several articles recently on this matter and I must admit that I am never surprised, although I am sometimes dismayed with press headlines and editorials, admittedly in the minority, which on the one hand call for

concrete steps by governments to solve various social problems and then complain when solutions result in increased government spending. They make me think of the double talk that we hear from the official opposition in this respect.

The proposed increase of $2.4 billion in the budget for next year over this year's forecast includes approximately $1.2 billion for the Department of National Health and Welfare. The real winners of this increase are the low and middle income Canadians and their families who have seen family allowances tripled, retired Canadians who have had their old age pensions benefits increased by over 32 per cent in one year and the provincial social assistance recipients, since federal spending in this area will increase by some $79 million, an increase of some 14 per cent in a single year.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Paproski: There goes a seagull!

Mr. Lalonde: I believe, Mr. Speaker, that these measures accurately reflect the high priority which the government of Canada accorded to social policy in the previous Speech from the Throne and will continue to recognize.

Mr. Knowles (Winnipeg North Centre): What about pensions at 60?

● (1540)

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to place on the record my comments on the throne speech. It is clear that at this time we are facing more uncertainty in the world than we have ever experienced since the end of the war. We see that the unprecedented rise in prosperity and affluence of the western world since the end of the war has been brought to a jarring halt. For many countries, this year will be a year of zero growth, or even of reduced growth. The United States is now in its second quarter of zero growth. Britain, it is forecast, will experience negative growth and Japanese growth is forecast at the low level of only 3 per cent.

For underdeveloped countries the situation is even worse. With regard to those countries, the increased cost of oil will make their economies much less productive and will prevent the modest increase that would have kept pace with the expansions of their populations. All this points to the fact that much of our affluence and production in society has been the result of the very low prices of energy, in the form of oil and gas. All the price increases of oil and gas really reflect the upward trend of basic commodity prices, which have not materially changed in 25 years. The price of wheat at $2 per bushel was reaching such a low level that production was being discouraged. This was the case with wool and other basic commodities. Yet, the price of manufactured goods and wages in general had risen markedly over the years. As this problem relating to the pricing of oil and gas is going to be very much to the fore in this parliament, we should realize that it is only part of the much larger problem of world supply of oil and gas.

It seems doubtful, Mr. Speaker, if the course being followed by the government in dealing with the producing provinces, Alberta and Saskatchewan, is the best way to deal with the question of oil and gas. The government's approach will certainly leave scars on Canadian confederation long after the problem itself has been forgotten. Eventually, it will probably mean the drift of western Canada into an extremely independent position. Demand for energy is increasing all over the world. As the supply is decreasing, the price will go up regardless of what we, as politicians, say. In the handling of this problem it is important that we do not jeopardize supply for the future and bring about future shortages in our attempts to bring about short-term solutions.

Indeed, we are following, in many ways, the very course which the United States followed 20 years ago when it took a number of negative steps which, as a consequence, created its energy shortages of the present time. In the United States, price restraints were placed on producers, under the guise of providing assistance to consumers. It is painfully evident that, in the end, this was a great disservice to the consumer. The incentive for producers to explore was taken away; the finding rate fell drastically and reserve additions did not keep pace with consumption. The United States has now taken off price restraints and is allowing the competitive market system to set prices with regard to new supplies. In the final analysis, this will assist the consumer, as there is not much point in cheap oil if there is no oil to be had at any price.

In the United States, record expansion dollars are flowing back to help find much needed energy. We, in Canada, however, are largely following the pattern of the American administration of 20 years ago. We are more interested in the price of oil being low than in assuring the supply of oil and gas in future. It would appear, from many sources, it is generally believed that in western Canada there is an unlimited amount of oil to be scooped up for the taking. Such, however, does not seem to be the case. We are presently, and have been for some years, taking out of the ground half a billion barrels of oil more per year than are being found. Frontier oil may be very attractive in principle, but it is going to be terribly expensive by the time it reaches our consuming public.

It has always been assumed that the Alberta tar sands would be a source of cheap oil. It now seems abundantly clear that oil from the Alberta tar sands will be very expensive, but it will be useful in acting as a ceiling on what the Arab nations might demand for their oil. A comparison of relative costs of drilling and procuring oil from the tar sands indicates that recovery costs from conventional oil wells, in particular from ones as good as the Arab states now have, will be a governing factor in world oil prices for the balance of this decade or even this century.

An examination of statistics relating to relative costs of oil from the two sources is interesting. It has been estimated that it takes $10,000 of capital investment to extract one barrel of oil per day from the Alberta tar sands. Conversely, it takes $2,000 of investment in conventional oil wells in continental North America, including Alberta, to produce one barrel per day. But, for the Arab states, it takes an investment of only a few hundred dollars for a well that will produce one barrel per day. A good well in North America is rated at 50 barrels per day, whereas in the Arab

countries a production rate of 5,000 barrels per day is quite average.

Then, again, the Alberta tar sands product involves a mining operation rather than drilling for a conventional oil well. The exploitation of the tar sands will require a lot of manpower, which will be highly unionized. Workers will demand high and steadily increasing wages as their rightful due. In the case of oil wells, on the other hand, once they are brought into production, the labour content is not high. So, it is not difficult to see how the Arab nations will control price in future. We must also bear in mind, however, that the price of oil on the markets of the world seems to be declining. It is now forecast that about $8 per barrel will be the new price.

The United States President has told his nation of the measures to be taken to handle the serious American oil shortage which has been caused by the Arab denial of petroleum, and of other measures which will be necessary if the Arab squeeze continues. He has stated that by the end of this decade his country will have developed the potential to meet its energy needs without dependence on any foreign nation. The President did not make any reference to any nation as being an exception. The Americans have talked about the continental concept under which Canada and the United States would work together. It now seems likely that the United States has reversed its attitude with regard to Canada.

As late as in 1969, the United States Cabinet report on energy futures recommended close relations with Canada on energy, but suggested that Canada could only be counted on as a secure source of oil and gas if Canada took steps to reduce the dependence of Quebec and the Maritimes on overseas imports. Ottawa rejected this plan. Later on, with regard to the possibility of Prudoe Bay oil being brought by the Mackenzie Valley pipeline, Ottawa declined to put the matter on the agenda for intercabinet discussion, on the grounds that Ottawa had not set up its own policy and, of course, the United States plumped for the TransAlaska oil pipeline. At the present time it also seems likely that the Prudhoe Bay Gas will also go by Alaska, as the Americans have indicated they are in favour of an Alaskan pipeline.

One cannot blame the Americans for their sharp change in official and public attitudes when, without consultation, Ottawa slapped on the export tax in September. The situation was made even worse when the Minister of Energy, Mines and Resources (Mr. Macdonald) stated that he would cut petroleum exports to the United States if the Arabs demanded it.

These were Ottawa's actions against the United States, whose oil saved Canada from the long energy crisis in World War II and whose oil fields sustained Canadian growth, including that of western Canada, up to the mid-fifties. The United States has provided three quarters of the oil market growth for western Canadian oil for the past decade and thus made possible the productive capacity of the Alberta oil fields today. In view of the present huge trade between the two countries being balanced heavily in Canada's favour it is quite possible and likely that retaliation on the part of the United States will occur.

The federal-provincial energy conference is over. It adjourned with Canada being still no closer to a national energy policy, although all the provinces had shown their positions before the conference. Ottawa had remained quiet. In view of the proposal that the price of crude oil be raised to $6 per barrel, that $1 per barrel go to the eastern consumer, 56 cents to the oil producing provinces, 33 cents to industry and 13 cents to the federal government, it was obvious that there was not enough money to satisfy all. In the long term, after the restraint period, there was to be an agreed increase in price. The Minister of Industry, Trade and Commerce (Mr. Gillespie) suggested that, somehow, we could insulate ourselves from the world. There was to be one price across the country.

The Prime Minister (Mr. Trudeau) said the other day that he was not interested in confiscating any province's resources. Nevertheless, the oil export tax cannot be construed as anything but the confiscation of a province's resources, in its present form. The charge made that the export tax was necessary to prevent so-called windfall profits, is not exactly true. Most of the extra money would still have found its way to the federal or provincial treasuries. But, if there are to be windfall profits, one sees the importance of having in place an excess profits tax which should be applied in all circumstances, and not just to the oil industry. It should apply to all industries which show a very high profit ratio.

The recent move by President Nixon with regard to the 22 per cent depletion allowance—that allowance, now granted to U.S. companies in foreign countries, would be eliminated—means that Canada would lose a certain amount of money that would have come from U.S. investment in Canada. That means that Canadian institutions and individual Canadians will need to make up this loss out of their savings.

The social security program in place in Canada, as announced and elaborated on by the Minister of National Health and Welfare (Mr. Lalonde) makes savings by ordinary, individual Canadians almost superfluous. As the rapid rise in inflation largely eats up these savings, one wonders for how long Canadians will be foolish enough to invest. Western Canada was founded by many races, but had in common the symbolism of the British connection. However, the British connection is diminishing in its force, prodded and abetted by Ottawa, and the new symbols of central Canada found little acceptance in the western mind. The maple leaf is an example because many western Canadians have never seen an actual maple leaf.

● (1550)

A legal and constitutional battle, by which this federal government intends to lay the provinces low, is intended, in view of the apparent packing of the supreme court by the appointment of certain justices recently. Chief Justice Laskin is noted as being left of centre and a strong federalist. Then there was the appointment of Jean Baetz, the former constitutional adviser to the Prime Minister (Mr. Trudeau). At the opening of the University of Saskatchewan law school in 1965, the Chief Justice made the statement, and I quote:

Power contracts by a failure to use it.

He later said:

> I borrow a phrase from my friend, Professor Frank Scott. Provincial autonomy means national inactivity, and I would add that the more we have of the one, the more we have of the other . . .
>
> I find it difficult to believe that our federal system can endure unless Ottawa is accepted as a source of national power and authority exercisable in respect of and for all citizens of Canada.

In view of that statement, it is not to be wondered that the president of the Law Society of Alberta called the appointment of Laskin as Chief Justice an overt political act. Has the Prime Minister decided to pack the court? By so doing, does he hope the federal government will usurp the power of the provinces? Can provincial jurisdictions expect to have a reasonable hearing in a packed supreme court? Western Canada has come of age in its political thinking. Its resources and its people give it new impetus and a new direction. It is more confident that it is equal to the rest of the Canadian confederation. It is confident that it can stand on its own if it needs to do so. It does not wish to be a hewer of wood and a drawer of water for central Canada. It doubts that the excessive reliance on prohibiting the export of resources and products, except in the processed form, will be enough to sustain the Canadian economy at the level that it wishes. The manufacturing industry is hard put in Canada to maintain its job numbers and its only major market, the United States, will find it increasingly difficult to absorb its high price products.

Mr. Speaker, it is very fashionable to blame oil companies and other large companies for rip-offs and so on which the leader of the NDP seems to favour as his attack on the bad guys. In deference to him, no doubt, the Prime Minister suggested that his government would also be after the bad guys, the oil companies, if they charged too much. However, Mr. Speaker, it should be realized that a corporation is not a person in itself. The implication of these attacks is that profits benefit some person or persons in the corporation, but a corporation is made up of shareholders, management and the working force.

If a company makes profits, someone must benefit. If the workers receive more income, they pay more income tax. If management receives more, they also must pay further income tax so that the federal and provincial treasuries benefit. Before dividends are paid, a corporation tax of 40 to 50 per cent must also be paid and if citizens receive dividends, they in turn must pay income tax. The corporations cannot have depreciation allowances that are not also available to unincorporated individuals in business or to the great cooperatives which pay no corporation tax and are able to pass along dividends to their shareholders or patrons without a corporation tax.

Those who feel that corporations and other firms of private enterprise are bad for the country must agree that things should be better because over 50 per cent of our GNP is now being spent by the three levels of government. There are vast areas of the so-called private sector filled with Crown corporations such as CNR, Air Canada and public utilities such as the provincially owned telephone systems. Those utilities which are privately owned have rigid rate structures set by the governments concerned. Even the agriculture industry, with many individual farmers, has a myriad of boards, mostly government, controlling the sale of their products and setting the price the producer will receive.

All investment counsellors will tell you that the largest single factor in the investment market is the employees' pension funds, mutual funds and insurance funds, all designed to gather in the savings of the small person and to have them invested in the market by managements. When we talk about corporate rip-offs and excessive corporate profits, we are also talking about the earning in these employees' pension funds, mutual funds and insurance funds and saying they are too high. In the few minutes that were available to me, I hurriedly put forward a few ideas on what I feel is the role of a member in this speech from the throne debate and the important part of that speech which is being discussed today.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I am happy to have the opportunity to participate in the throne speech debate. My first words must be words of congratulation to the mover and the seconder of the Address in Reply to the Speech from the Throne. Several years ago I had that distinction myself. At that time the Right Hon. Rolland Michener was Governor General of this country. I commented at that time on what a distinguished career he had and what a force he had been in that particular role. I, along with all of my colleagues, am satisfied that the right choice has been made for his successor. I look forward to the role that the new Governor General will play in that particular office. As one who had some dealing with him when he was with the office of the Secretary of State, I remember being very impressed with the careful manner with which he dealt with each problem brought before him, and the courtesy he extended to people who were dealing with him. I am sure he will bring that kind of dedication and courtesy to his office.

The Speech from the Throne makes reference to the petrochemical industry. As one who represents an area which has sometimes been called the chemical valley of Canada, it was heartening indeed to see that specific reference in the throne speech. Shortly after 1968, when I became a member of parliament, I made it my business to meet with officials who, in some circles, have become known as bad people, multinational corporation executives and members of boards of directors, to find out about the petrochemical industry, what problems it was facing and what was being done to help it because when the petrochemical industry in Canada is strong, there are a lot of people who have reason to be thankful, not only the shareholders and management, but the people who work for the corporations.

We had a sad experience in Sarnia. It was necessary to lay off something like 100 employees of Polymer, now Polysar, people who felt they were in a secure position. They were not worried about being laid off, but they soon learned the effects of being laid off. Some people had 18 to 20 years experience with that particular corporation. If anything highlighted the problems being faced by the petrochemical industry, that certainly was the spotlight that pointed me to the target area about which we should be doing something.

At that time it was very heartening to know that the Hon. Jean-Luc Pepin was Minister of Industry, Trade and Commerce. After speaking to him, I found that the compa-

nies and the government had decided to stop warring with one another and do what could be done to help the petrochemical industry. A joint government-chemical industry committee was established, not to deal with recriminations but to determine the problems being faced by the petrochemical industry and what it was within the power of the Canadian governments to do about it.

At that time there was some concern that it was the size of the market that was having a disastrous effect on the size of the industry. It was not possible to build one world-scale plant, yet you might have several companies which felt that in order to get feed stock prices down to a particular level it was necessary to build plants on a world-scale level. Therefore, they looked at this.

Arising out of the report handed down by the joint government-chemical industry committee came the opportunity for not one, but two world-scale plants. These will have the beneficial effect of giving to the petrochemical industry feed stocks at competitive prices. That is all the petrochemical industry was asking. They wanted an opportunity to compete on an equal base or slightly less advantageous than the Americans. They said they could do it because they had the men, women, machinery, technology and skills. All they needed was world-scale plant. Of course, if it was possible to secure a larger market, that was to be not only the responsibility of the companies but of the Canadian government.

The beauty of the petrochemical industry is that, despite what has been said and reported for some years, the petrochemical industry is developing, and not only in the Sarnia-Lambton area. I suggest with respect, hoping not to be too parochial, that the Sarnia petrochemical complex constitutes the real heartbeat of the industry and that when this particular section is strong the whole petrochemical industry is strong. I was heartened to note the Dow-Dome people had made an application to the National Energy Board and this will lead, if the application is allowed, to the construction of a world-scale plant in Alberta producing feedstock in the order of one billion pounds per annum. This is the kind of operation that is very helpful to Alberta. It will not only have a world-scale sized plant but, as a result of that one plant being there, derivative plants are likely to be constructed. It seems to me, Mr. Speaker, if the operation is strong in Alberta it will work to the benefit of the petrochemical industry in Ontario and in Quebec.

● (1600)

It may not be the national dream of a national railway but I would suggest, with respect, that a strong petrochemical industry is good for all of Canada. Four companies are now, I believe, about to embark on an application for the construction of a world-scale plant called the SOAP plant for purposes of brevity. The SOAP plant at the present time I assume, is making an application to the National Energy Board. This will have the effect of building or creating a world-scale plant for the production of ethylene. I am somewhat concerned about what impact it might have on Esso chemical who are at the present time meeting, as far as they are able, the needs of the petrochemical industry. But it seems to me, given todays booming economy, that this will not work to the detriment of Esso chemical but that Esso will, in fact, be able to pick up at a considerable amount of market, since most, if not all, of the products to be available from the SOAP operation, will not meet the market at the time that plant comes into production.

[Mr. Cullen.]

I have to comment at this point about the 40 per cent tax rate, the reduction which was given to the manufacturing association. This was an area that caused some concern to me, because a promise was made by the government in May, 1972. and after the results of the election in October, 1972 were known the Minister of Finance (Mr. Turner) could I think quite justifiably have said "No, we can't go ahead with this; the people have indicated that they do not support it". But this Liberal government had made a commitment to business, and I was very proud of the fact that the Minister of Finance saw fit to honour that obligation; he did not wait for several months of discussion, but indicated almost immediately thereafter that this particular tax rate would become law. I do not know what the end result will be; we shall have to wait until the end of March. But it seems to me from anything that I have been able to read in the business sections of various newspapers, and in trade journals, and from what I heard the minister himself say earlier today, that 110,000 more jobs have been created in this particular industry, which seems to speak for itself as to the correctness of the action taken by this government.

I suspect, if I may look into the future, the report will indicate that there has in fact been a large capital expenditure by the manufacturing industry as a direct result of this 40 per cent figure. I am pleased to see the Minister of Finance had the guts, the good sense and the honesty, to go ahead with this particular commitment made prior to the October election. I do not often agree with the hon. member for Dauphin (Mr. Ritchie), but I have to agree with him that there seems to be a ham-handed effort in progress on the part of the New Democratic Party to give Canadian business a black eye. This is of some concern to me, Mr. Speaker, because, as the hon. member for Dauphin has said, when you give corporations which are creating jobs a black eye, you are giving it also to the people who invest in that company; you are making them uneasy, suggesting to them that perhaps they are investing their money in the wrong direction.

They are looking for a fair return on their investments. They are not looking for excessive profits. Selective use of statistics bothers me because it only leads to part of the truth being told. The figures are probably correct but I have learned to look with some suspicion on statistics ever since they were described to me as being like a bikini bathing suit—what they reveal is interesting but what they conceal is vital. I think we owe it to Canadians to see to it that multinational corporations do not become too strong. I think we are under an obligation to impose controls where controls are necessary, using the fiscal and monetary weapons at our disposal, to see to it that they act as good Canadian corporate citizens. I believe this is our responsibility because they are so strong. But by the same token I think there is a glorious opportunity to take advantage of the presence of these multinational corporations, bearing in mind that they do many splendid things for this country.

Unhappily, the right wingers in this House have been content to say very little on the subject. I think of myself as a left wing Liberal, certainly left of centre, and I am surprised that hon. members who hold themselves out to be Conservatives and right wing in their views have not yet seen fit to refute some of the statements made by the New Democrats. It is time we devoted a day to a good debate on this subject in order to hear not only their viewpoint but other points of view. Let us get out all the statistics and find out what really is happening. If there are abuses, they can be controlled. But to suggest the picture is all black is, surely, going too far. The NDP remind me of certain people who profess to be experts without any practical experience. None of them, to my knowledge, have ever run a business. They remind me of child psychologists who have never had children of their own but who can tell us how children should be raised.

Although I represent primarily an urban constituency I wish to speak for a few moments about the situation in which Canadian cattlemen find themselves at the present time.

Mr. Knowles (Winnipeg North Centre): Have you ever raised any cattle?

Some hon. Members: Oh, oh!

Mr. Cullen: The hon. member asks me whether I have raised any cattle. I want to say that I have spread a little bull in my time.

An hon. Member: Hear, hear!

Mr. Cullen: Mr. Speaker, I had the opportunity to serve as chairman on the committee on food prices, so it may seem ironic I should be suggesting the imposition of some form of control over cattle imports. If low prices give rise to a situation in which a large proportion of Canadian cattle production is destroyed, the consumer is bound to suffer in the long run. We are obliged to make sure that this does not happen. Even if we pay a little more by way of higher prices it will be money well spent, and will ultimately reflect to the benefit of consumers.

The Speech from the Throne tells us that supplies must be increased. Undoubtedly this is the way to cope with rising prices. We all saw the disastrous effect of imposing controls at a time when supplies were short—they act in the long run to the detriment of the consumer. I disagree with the position taken by NDP speakers that the Food Prices Review Board should be given the authority to roll back prices. Any action in that regard should be taken by the government itself, and the government should be directly responsible in the House. In my view it would be wrong for a government to shelter behind the Food Prices Review Board. Any obligation to roll back prices rests with the government not with an appointed tribunal. I do not see the Food Prices Review Board in such a role.

While I am on this subject, I should like to commend the Food Prices Review Board. Many who are critical of this board never bother to read its reports. I refer particularly to a recent report on the effect of controls in Britain and the United States. I have the opinion that the board is served by an excellent research staff. Critics of the board should at least take time to read its reports before they sound off.

In the field of veterans' affairs, I am concerned about three issues. The first is, whether or not the date for the receipt of applications under certain veterans' legislation ought to be extended. I hope this will be very carefully studied. Second, I think the transfer of hospitals is a good idea and I support it. However, I am apprehensive that eventually our veterans will reach the age where young doctors will not be entering veterans hospitals but will be dealing with senior citizens, therefore the veterans will not be getting the specialized treatment that they should have. By the same token, I am concerned that we should not forget that they are veterans hospitals.

● (1610)

I recommend to the minister that serious consideration be given to appointing an ombudsman to supervise all hospitals, or that each hospital have an ombudsman. I can say from my own experience with veterans that some of the veterans now being treated in veterans hospitals are afraid to raise a ruckus because they feel they might be sent home early or that they would only cause trouble for themselves. I do not think this sort of situation should be allowed to exist, and this is why I suggest an ombudsman.

The last matter I want to raise I have raised over and over again. Statistics on the backlog of pension cases being cleaned up are impressive, but I think that even more haste is required in this area.

I should like to go on, Mr. Speaker, but I see my time is up.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, at the outset, may I welcome to the gallery this afternoon a group of young Newfoundland students under the Reverend Brother Brennan who are visiting their capital from Corner Brook and several other communities around that area.

In rising to take part in this debate I should like, first of all, to associate myself with the other members of the House who have paid tribute to the new Governor General and Mrs. Léger. On behalf of my constituents and my province I wish them good health, success and happiness during their term of office. I am sure I am expressing the feelings of my constituents and my province when I say how much we look forward to a visit by His Excellency and Mrs. Léger in what we hope will be the not too distant future. I join with my colleagues in extending my sincere congratulations to the mover and seconder of the address in reply. Considering how little these two hon. members had to work with, I think they did a very good job and excelled themselves in their speeches.

I should also like to congratulate my leader, the Leader of the Official Opposition (Mr. Stanfield), on the brilliant speech he made during this debate. I am sure that he was echoing the feelings and beliefs of the vast majority of Canadians who have been confronted with, and will continue to be confronted with, unemployment, high living costs and inflation generally.

The Speech from the Throne, not unlike the one delivered last year, held no real surprises. There is nothing in the speech to instil any real confidence in our people.

Noticeably absent from the speech is any meaningful indication of resource policy, trade and income policy, monetary policy and, what is more important, any policy of worth to fight inflation. We must recognize the fact that unless the problems of inflation are eliminated no other domestic problems in this country will be solved. Therefore, it stands to reason that it should be the first priority of this government to tackle inflation.

What do we have before us, Mr. Speaker? We have a speech that indicates quite clearly that this government are content to go their merry way in the belief that we are merely the victims of world wide inflation. They are content to bury their heads in the sand and let things ride on the basis that all of our problems are the direct result of inflationary pressures from outside this country, that the Prime Minister (Mr. Trudeau), this government, and indeed the people of Canada, are innocent bystanders. The people of Canada, particularly those in the middle and low income brackets, are not buying any longer the excuses and indifference of this government. If the Prime Minister and his colleagues have been listening to responses from the people of Canada, it will become abundantly clear to them that it is time they got down from their academic ivory towers and started to mix with the bare facts of reality.

The first thing that this government must do is to be honest with itself and with the people and recognize the fact that inflation in Canada is not the total responsibility of outside forces, but that there exist in this country problems that are adding to inflation. This government must change its defeatist attitude; there is no use trying to change this situation when the people responsible are not convinced themselves that change can come about. The government must be willing to admit to themselves, and to the people, that their handling of the situation has been wrong. It is no tragedy to admit failure. To err is human. But to continue in the full knowledge that you are wrong, and without regard for the future welfare of millions of our people, is a tragedy and is inhuman.

It will be essential for this government and for the people of this country to work together in order to get out of the mess in which we now find ourselves. A short-term freeze on certain elements of the Canadian economy is essential if we are serious about fighting inflation. This must be followed by an economic, income and monetary policy. One without the other will not work, but together they will work. If this government is serious about the future welfare of Canadians, then it is time it swallowed its pride and listened to the people. It is time it implemented the policy for fighting inflation put forth by the leader of our party.

I listened with a great deal of interest for some mention in the throne speech of the government's objectives in regard to the development of the food producing segments of our economy. Being a Newfoundlander I was, of course, particularly interested in the government's objectives as they relate to the fisheries. May I quote this extract from the Speech from the Throne:

> The government's objectives will guide a re-assessment of existing programs in the areas of agriculture and fisheries.

This, sir, is the first mention of fisheries in the speech. Other references to fisheries relate to the government's intention to improve harbour facilities for fishing fleets and the promise of guaranteed loans and other forms of assistance to both farmers and fishermen to assist them in purchasing or modernizing their equipment. The throne speech also promised incentives to increase Canada's catch of unexploited stocks of fish. I hope that the government's reassessment of the agriculture industry has been more productive and meaningful than their reassessment of the fishing industry. Otherwise, I am afraid we will have more than empty stockings next Christmas; we will have empty bread baskets and probably empty stomachs as well.

What I am about to say now I have said before, because last year the same situation prevailed. I refer to the government's expenditures on badly needed small craft harbour facilities in the Atlantic area. Let us for a moment translate into actual fact the government's promise to improve harbour facilities for our fishing fleets. For the benefit of hon. members who are not familiar with the problem, I should point out that harbour and wharf facilities are to our fishermen what grain elevators, storage facilities and boxcars are to our western farmers. Without these facilities our wheat farmers cannot produce and successfully market their crops. By the same token, without adequate harbour and fish landing facilities our fishermen cannot produce or attain their full potential in the fishing industry.

The entire federal budget this year for the provision and improvement of small craft harbour facilities is less than that being spent by the government in the city of Ottawa on the acquisition of properties on Sparks Street. Indeed, in Newfoundland, where there is such a desperate need for these facilities, the federal government proposes to spend approximately $4.2 million during the coming fiscal year. That is approximately the same amount being spent by this government on the provision of an underground parking facility in the city of Hull.

● (1620)

On March 6 last, I received a letter from the Minister of Fisheries and the Environment (Mr. Davis) to which he attached a list of the works to be undertaken by his department during the 1974-75 fiscal year, together with a list of other projects that have been considered essential but, according to him, will of necessity be deferred due to budget constraints. The cost of the projects selected for the 1974-75 program for my constituency amount to $445,000. The cost of the projects that have been deferred, notwithstanding their urgency, amounts to $1.5 million. How naive does the Minister of Fisheries think we are? Is it any wonder that our people have lost faith in this government and are fed up to the teeth with what is taking place in this country today? Is it any wonder that there is a growing resentment among a large segment of our people in respect of the present government and its attitude toward the have-not regions of this country?

Fishing facilities are vitally important to Newfoundland and, indeed, to other fishing areas in this country. Without them fishermen are unable to fish productively and make a living for themselves from this industry. Does the Prime Minister (Mr. Trudeau) expect us to accept, without question, the extravagant spending on the part of his government in certain areas when primary producers including fishermen are told to eat cake? Does he expect us to accept

without a murmur the huge amounts of money provided for in this year's estimates for the acquisition of properties in and around the capital for the provision of bigger and better public buildings, and for bilingualism which this year is costing the Canadian taxpayer in excess of $200 million while the real problems of this country are being swept under the carpet?

An hon. Member: Oh, come on.

Mr. Carter: The fishermen of my constituency are being denied their fundamental right of being able to earn a living from the fisheries, while at the same time we see in the estimates typical examples of this government's misguided sense of priorities. It is no wonder that a lot of Canadians are getting fed up with this government's preoccupation with matters that are receiving priority such as those I have mentioned. As I have said, this year alone we will spend in excess of $200 million on bilingualism in Canada. This represents about 9 per cent of the government's budget. I am not suggesting for a moment that there is no need for a policy on bilingualism in Canada. I think we all recognize that need and members of this party have gone along with the proposition, but I do believe there are times when other things should take priority, and this also applies to certain areas of the province of Quebec. Certainly, in the Atlantic area there are problems which should not be deferred in favour of other programs the government has seen fit to initiate and finance.

An hon. Member: Speak for yourself.

Mr. Carter: It must be obvious to the Prime Minister and to his government that not enough attention is being paid to the needs, wishes and desires of the people, and I include the fishermen of eastern Canada who are in many cases being denied their basic rights as citizens of this country.

Our concern in eastern Canada, certainly in my province, is not in respect of cultural sovereignty. That is something we probably will start worrying about in 50 years' time. We are concerned about the right to be treated equally as Canadians, and the right to earn a decent living. I am sure that statement will shatter the delicate ears of some of my colleagues opposite but, be that as it may, I can assure you I am not alone in that view.

An hon. Member: That's a lot of bull and you know it.

Mr. Baker: You wouldn't know a bull from a flounder.

Mr. Carter: Mr. Speaker, the hon. member must be quite familiar with bull, so I will not deny him his right to say that.

An hon. Member: Don't pretend to be the only one speaking for Atlantic Canada.

Mr. Carter: You will have your chance, and then perhaps you will stand up and be heard. These people have had enough of this government's costly policies. Of course, we know what is happening. The Prime Minister is not fooling us. We know it is the philosophy of the Prime Minister and the Liberal party to divide and conquer, to keep political power at any price, and that is what they are setting out to do. They are pitting one segment of our society against another. The Prime Minister is not content with that, he is now working on a program to pit the east against the west and region against region.

An hon. Member: And fishermen against farmers.

Mr. Carter: Yes, and fishermen against farmers as my hon. colleague suggests. The Prime Minister is doing all this under the name and guise of national unity. Of course, his real reason is to retain the political power he has, and he is not too concerned about what the outcome will be so far as this country is concerned.

Let me tell the Prime Minister through you, Mr. Speaker, that he is playing a dangerous game. He is playing with fire. The majority of Canadians can see through this sinister plot and are not having any part of it. Indeed, the obvious philosophy that has been adopted by the Prime Minister and the Liberal government will have the opposite effect in this country in that it will be responsible for creating prejudices and bigotry. There is a lot of rumbling in this country and particularly in my province, as a result of this government's obvious intention and determination to reduce certain areas, including certain parts of the Atlantic region, to that of colonial status.

It is really paradoxical when one realizes that the government is spending hundreds of millions of dollars, allegedly to bring the people of Canada together, when on the other hand it is doing its best to alienate the people of other provinces, including Newfoundland, making them feel a non-part of the federal system. I refer, of course, to the policy of this government to reduce its presence in Newfoundland to that of a branch office with headquarters in one or other of the Atlantic provinces.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, if I begin my brief remarks with comments on the speeches of the Leader of the Opposition (Mr. Stanfield) and the Prime Minister (Mr. Trudeau), I do so in the spirit of reflecting on their party policies and not on them as individuals.

I was not disappointed with the speech of the Leader of the Opposition because, as the saying goes, blessed is he who expects nothing for he shall not be disappointed. Perhaps the best part of his speech was the metaphor he used in describing members in the government benches as an orchestra, with various ministers playing designated instruments albeit discordantly, while he himself, like little Johnnie one note, sang the monotonous and discredited theme of the Tory party, wage and price controls. This term has been variously disguised as a prices and incomes policy, a freeze followed by unstated measures, or a freeze followed by specific measures which are never specific. Whatever term one falls for, this still means locking in the inequities that already exist and, as for the measures that follow the freeze, it is unlikely that the leopard will change his spots.

There was a lot of meat in the speech of the Prime Minister who said:

Our problem is the equitable distribution of our most abundant wealth.

That is a beautiful statement. He went on to state:

I find it appropriate at this time to destroy the myth that the cost of labour has been a dominant factor in contributing to the present inflationary round in Canada.

That is a wonderful statement. Then, he fired his big gun and said:

We will not hesitate to go after the so-called big guys if action is necessary to protect the Canadian consumer.

These statements may come back to haunt the government in the months or weeks or days to come. Well, Mr. Speaker, let me emphasize now, as our leader already has and our members have over the months and during this debate, that action is necessary to protect the Canadian consumer. In 1973, as we all know, the consumer price index went up by 9.1 per cent, hitting the average family in the two most vital spots, food and housing, which together account for 56 per cent of average family income. The government admits that labour is not to blame, and statistics show that wage and salary increases in the last half of 1973 actually decreased by nearly one per cent while corporation profits, on the other hand, in 1973 were over-all 40 to 50 per cent higher than in 1972, which was a good year too.

● (1630)

I will not list the profit figures of the huge corporations because they are already a matter of public record. Despite the comments of the hon. member for Sarnia-Lambton (Mr. Cullen), we are not anti-business; we are anti-business abuse. Most multi-nationals could be included in that category. I remember our leader, during a speech in this House, complimenting a large Canadian corporation for its corporate business practice. The government said it would not hesitate to take action. In 1963, the three largest sugar importers were convicted of price fixing. Now, they are at it once more and are being prosecuted again. But in the intervening time, between 1963 and today, it is estimated that the price fixing activities of these three firms have cost the Canadian consumer $125 million. Now, there is hesitation for you—eight years of it. Now, the steel companies and the cement companies are under suspicion. Is it any wonder that we look askance at statements that promise action when necessary?

The public is beginning to catch on, but they know now what to expect of the oil companies. A recent Gallup poll conducted by the Canadian Institute of Public Opinion shows that over half of the Canadian public has lost confidence that the multinational oil companies will act in the interests of Canada. Anyone who has visited the United States lately will hear the same distrust widely expressed. Even there, the public is calling for investigations and for public control. Now, the wolves are starting to gather around the Athabasca tar sands. What will the government do to protect the interests of Canadians? Will they use the proposed national petroleum company to serve the interests of Canadians or will this be another sell-out of our national resources?

As the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) has pointed out, unless this government gets into the oil business in co-operation with the provincial governments to place this huge resource under public control, the confidence that the oil companies have lost will extend to the government, as it probably has already. In light of the fantastic profits quoted by so many members on this side of the House, excluding the Tories who have their sights trained on smaller game, how can the government in the name of all that is reasonable deny the need for greater controls over the activities and profits of the large corporations.

The Tories complain about the high cost of welfare programs and of UIC, but do you ever hear them quote the $4.7 billion in deferred taxes to large corporations? They speak with feeling about the need for housing and of the plight of those who do not have decent shelter, but they seldom make specific mention of the 516 per cent increase in profits in 1973 of one of our largest real estate and development institutions and others like it. Yes, the Tories have their sights trained on smaller game. That champion of the working man, the hon. member for Hamilton West (Mr. Alexander) zeroed in only last Thursday on the extent to which people are 'cheating' or 'ripping-off' the Unemployment Insurance Commission. No one would condone cheating on UIC or any other program, but according to my information, in 1972 only 908 persons were prosecuted by UIC for having cheated on their claims. That is .05 per cent of all claims. As for the rip-off, I was interested to hear from no less an authority than the hon. member for Verdun (Mr. Mackasey), whose humanitarian approach to the workers seems incongruous in the context of the present minister's attitude that:

The people who went on unemployment insurance in 1972 with eight weeks work represented 2.5 per cent of all claims in Canada. That is what all the excitement is about—2.5 per cent, 11 weeks or less, 35,000 people.

Let the Tories fire their salvos, not at the working people but at the real rip-off artist whose embarrassingly high profits are published every day—the multinational corporations who manipulate the pricing and distribution of goods to their own advantage and the wealthy people in this country who, according to the Dominion Bureau of Statistics, under-report their investment income by as much as 50 per cent.

I want to mention pensions only briefly because the hon. member for Winnipeg North Centre (Mr. Knowles) has already spoken and when he speaks he leaves nothing left for the rest of the seagulls. Since his speech, however, the Minister of National Health and Welfare (Mr. Lalonde) has made it clear that the government does not intend to lower the pensionable age. This news will come as a great shock and disappointment to thousands of weary Canadians who have worked hard all their lives and who desperately want to lay down their tools before age 65. The Canadian people want adequate pensions at age 60, and until a step is made in this direction, the remarks that the minister made this afternoon will have a hollow ring.

I have in the past 14 months worked closely with the claims officer in my own branch of the Canadian Legion. I have always found the Minister of Veterans Affairs (Mr. MacDonald) to be co-operative and I believe he is doing his best. I note that the processing of claims has been speeded up and the backlog reduced last year from 9,000 to 7,300. From the minister's point of view, and taking into

consideration the difficulties of processing which he evidently faces, this is no doubt a significant achievement. From the point of view of the needy applicant who is far down the list, however, settlement seems remote and time short. I thank the minister for past courtesies and urge him to bend even greater effort toward speeding up the processing of these claims.

One of the greatest achievements of past Liberal governments was the administration of the veteran's education rehabilitation program which concluded in the mid-fifties. I know this from personal experience. It would now be a most appropriate gesture on this 25th biennial convention year of the Royal Canadian Legion to extend the deadline for the Veterans Land Act, and I would hope that the government will consider doing so.

Now, Mr. Speaker, time is streaking by and because of the agreement to limit speeches at this stage I will make only brief reference to the problems of urban development in the lower mainland region of British Columbia. The Minister of State for Urban Affairs (Mr. Basford) has spoken of specific projects related to port development, and I am aware of the developments taking place to improve port facilities. I want to mention, however, a matter of particular concern to me and to many community groups in my riding, namely the future development of the Burrard Inlet east of the Second Narrows bridge. On both sides of the inlet there is an ever present danger that too much industrial and commercial development will result in congestion and environmental damage. I believe the communities involved should have greater representation on the local National Harbours Commission.

For my part, as the federal member representing both sides of the inlet in this sensitive area, I recognize the right of local councils to make decisions regarding the planning and development of the communities which they represent. For that reason, I have not raised my voice against the installation of yet another refinery on the Burnaby side or the projected development of a large commercial enterprise on the north side of the inlet. Yet, it is my feeling that this vital growth area stands at the crossroads at this point in time. I pray with all my heart that the federal government, the provincial government, the greater Vancouver regional district and, most important of all, the municipal governments will catch the vision of the future and, putting partisan politics aside, work together, in the words of the Minister of State for Urban Affairs (Mr. Basford) "to develop in a co-operative way good techniques of managing urban growth to avoid congestion and pollution". The four levels of government that I have mentioned can, with frequent consultation with community groups, so manage developments that the people of this area, which extends far out into the Fraser Valley, will be assured of the ultimate goal: the development of a truly livable region.

● (1640)

If I may conclude on a parochial note, may I finally beg the indulgence of the House to pay tribute to the fine work of the co-ordinators of the provincial debating finals which took place last week in Burnaby-Seymour. Winners from all provinces will compete in a national debating final in May here in Ottawa. This is an excellent national program for training future citizens and politicians, and an excellent example of community involvement. I am proud also that Burnaby-Seymour has provided so many world skating champions through the fine work of the North Shore Winter Club.

Mr. Leonard Hopkins (Renfrew North-Nipissing East): Mr. Speaker, first of all, along with the other members of the House, I should like to extend my congratulations and those of my constituents to Their Excellencies, the Governor General and his good lady, on taking office and wish them well. Secondly, I should like to congratulate the Prime Minister (Mr. Trudeau), the cabinet and the many members of the government caucus for their contribution to the throne speech debate and to a dynamic and useful program for the second session of the twenty-ninth parliament. There is one thing to which I do not pay much heed, and that is the criticism of rubber stamping that this party receives, but I can say on behalf of my own colleagues that every member is a part of the party in general.

Some hon. Members: Hear, hear!

Mr. Hopkins: This session has been taken up, to a large degree, in discussions on petroleum and energy in Canada. But there is one thing that should be made very clear and kept foremost in everyone's mind and that is that over the years since the 1940's federal governments in Canada have been spending millions of dollars on nuclear energy research in this country. Today, we are foremost among the nations of the world in the development of nuclear power and its domestic uses.

One of the things that has not received nearly enough emphasis throughout 1973, and throughout the debate on the energy crisis in Canada, is the happy fact that Atomic Energy of Canada at Chalk River and Deep River, which I am glad to have in my constituency, is the mother of the most efficient and successful power source in the world today. Indeed, it is the mother of the entire Ontario Hydro plant in Pickering. Ontario Hydro had the courage to go ahead and make the decision to try it, but it was the expertise of Atomic Energy of Canada that has made that plant possible and will make other plants possible. In our constituency in particular, and in the country at large, we should be taking our hats off to the science community at Atomic Energy in Chalk River and Deep River, as well as the National Research Council for leading the way to a new and bountiful source of energy for the world.

Sometimes we become so involved with our own problems that we forget to tell people about our successes. We had a very famous Canadian in the past, who went down fighting in the election of 1957, in the person of the Right Hon. C. D. Howe. I should like to remind members of this House today of something that has probably long since been forgotten, but it was the Right Hon. C. D. Howe who was the initiator of Atomic Energy of Canada Limited. It is because of his initiative, in spite of the criticism that he received in this House and in spite of the fact that sometimes he arrived at decisions in a hurry but they were usually the right decisions, that one of the most expensive research institutions that we have in Canada was started, one which produced much good for mankind, not only in Canada but in the world at large. This nation owes him

thanks for taking leadership and for his courage back in the 1940's.

Some hon. Members: Hear, hear!

Mr. Hopkins: The Minister of Energy, Mines and Resources (Mr. Macdonald) has been named "man of the year" by the business section of the Toronto *Globe and Mail*. He has carried himself well through a very difficult period and in the debates in the House of Commons. I do not care who laughs or what comments are made about him. He has taken a stand in this House and he has done his work well. He deserves the credit of the Canadian community.

Some hon. Members: Hear, hear!

Mr. Baker: Especially the big companies.

Mr. Hopkins: Recently, I have had the honour to visit our Canadian armed forces in Europe where I had several briefings and visited our servicemen in the field. I have also had the privilege of visiting the U.N. forces in Cyprus. We now have a large contingent in Egypt. I do not think people really appreciate how difficult U.N. work is for Canadian servicemen. It requires a lot of patience and great dedication. Our servicemen who serve in these positions around the world in the NATO forces and in our Canadian forces in Europe are to be commended to the nth degree for the image of this nation that they are giving around the world.

While in Cyprus I also had the opportunity to speak to some of the people on both sides of the conflict there. It still looks like a very difficult issue to settle. But there is one thing that must be said for the senior officers as well as the rank and file in the armed forces, and that is that regardless of the tasks they are given to do, they take these tasks seriously. In spite of the problems with which they are faced, they go ahead and do the job.

I would be remiss if I did not say a few words about the Department of Regional Economic Expansion and the work it has done in parts of eastern Ontario. In the upper part of the Ottawa valley, a large section of which I have the privilege of representing, as well as in other areas that I do not represent directly, such as the towns of Renfrew, Arnprior, Eganville and so on, if it was not for DREE and its input into that region we would not be getting ahead nearly as well as we are today. In spite of all the criticism this department has received from various areas across Canada, it is welcome in our section of eastern Ontario any day. I will stand up in the House and support the minister any day.

● (1650)

In the new agreements that will be forthcoming on DREE, some of which have already been made, I hope there will be a considerable input and that my area of eastern Ontario will continue to benefit.

Mr. Speaker, I would be very remiss if I did not congratulate the mayors, the reeves, the industrial commissioners and the people who have really tried to make this system work. We all know that it is one thing for government to bring in policies, but it is another thing for the people in the local areas to pick up the ball and carry it down the field, making use of those policies. I hope we continue to have strong and dedicated people in municipal governments in this part of Canada, and indeed across the country. Scmetimes we do not give municipal politicians the credit they deserve.

Mr. Speaker, I wanted to make a further point about the town of Deep River. Because of the existence of large plants of Atomic Energy of Canada Limited at Chalk River and Deep River, which employ 2,450 people, it is sometimes thought by both senior levels of government that since the town of Deep River receives a grant in lieu of taxes from that Crown corporation the town does not qualify for the award of other grants. This is unfair to the town. It has been in existence since the 1940's and now requires a lot of money for maintenance as well as growth. I do not feel that the existence of that grant in lieu of taxes from AECL should be used as an argument to refuse the town of Deep River the same grants it should normally receive, just as any other community of its size across Canada.

There have been many discussions inside and outside this House in regard to the LIP program and the minister has come under fire about some projects. We have to realize that human beings are not perfect, not 100 per centers. In spite of the criticism that has been levied at the odd LIP program, in my estimation it has been one of the most successful programs for providing services and worthwhile work in small communities that would otherwise be absolutely forgotten.

There are many small communities scattered throughout my constituency, which is the largest of 77 in southern Ontario. I would not be ashamed to take anybody to any part of my riding to show them the work undertaken through the Local Initiatives Program to service the small communities. I hope the criticism, which has been overemphasized, of particular projects, that have failed will not be used as a sledgehammer to kill a program as a result of which much good work has been accomplished.

Mr. Speaker, a part of the Speech from the Throne dealt with freight rates and freight policies across Canada. These are probably equally important to the DREE program. Many industries have been assisted in settling in various parts of Canada, but perhaps they should be encouraged into slow growth areas with a freight rate policy that would assist in their success. This is the way to put permanency into the usefulness of the DREE program, and I do not think we can talk about the one without talking about the other. We have also a key role to play in providing roads for transportation, and I hope that greater emphasis will be placed on this in eastern Ontario in the future as an enticement to economic development.

Earlier, Mr. Speaker, I mentioned that our forces in Europe, Cyprus and Egypt are dedicated but their job is a very trying one which demands a great deal of patience. When talking to the men in the field I realized that the one thing they missed was sports news, hockey results and so on from Canada; things which are a way of Canadian life. Upon my return I wrote to a major oil company in Canada to ask if it would sponsor tapes and video taped programs for the armed forces in Europe, Cyprus and Egypt. I sincerely hope that this will work, and if it does I

will be approaching the appropriate ministries to assist in bringing these facilities to the armed forces overseas.

There are many things that our armed forces do of which people are not aware. For example, in the preservation of ecology, our maritime aircraft and naval vessels monitor pollution on our coasts and report major offenders to the appropriate government department for action. I had a very interesting experience approximately two weeks ago in visiting Maritime Command.

The Acting Speaker (Mr. Laniel): Order, please. I regret that I must interrupt the hon. member but the time allotted to him has expired.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I should like to take this opportunity to offer my congratulations and good wishes to His Excellency the Governor General. I think that the installation of our new Governor General reminds the country of the importance of his office, and the Crown which he represents, an importance that over the years has been lost sight of by the government of this country, until very recently. We are aware of how the government began to take a new look at the monarchy and the representation of it after October 30, 1972. I think it is fair to say in a quarter of a century before that, that a series of Liberal governments had reduced the importance of the monarchy, it is vital for us to take this occasion to recall the importance of the Crown and the parliamentary system, to recognize the tactical value it has in the way our country is governed.

I think one of the lessons that we, as Canadians, can learn from Watergate is that in the parliamentary system we have a far superior form of government, and basic to that system is the function and role of the Crown.

● (1700)

I wish to congratulate both the mover and the seconder of the address in reply to the Speech from the Throne. The hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier) set forth their case with clarity, conviction and sincerity, although with somewhat misguided enthusiasm for the subject on which they had to speak. Both hon. member made fine speeches.

I wish, in passing, to refer to the address of the hon. member for Sherbrooke because it was in great contrast to some of the speeches I have heard by other hon. members from his province, speeches which have contained inflammatory language, which have shown a derogatory spirit on the language issue. That attitude should not be brought to this House and should not be evident in this country. What we need, as some of us recognize, is that issue to be taken outside the realm of controversy and party competition. I regret that some of the remarks made on the Speech from the Throne have done little but contribute to the ill-will and misunderstandings of the past.

Most serious of all is the way in which the Speech from the Throne has failed to give the people of Canada and members of this parliament the sense of direction which we need because of the critical situation which Canadians face. The speech has been described by many commentators as lacking rhetoric. It certainly lacks a program. The country can stand absence of eloquence; it cannot endure an absence of understanding. At this point in Canada's history we need leadership. The country does not need a government which give top priority to its own survival: it needs a government that will give it a sense of direction.

I recognize that it is scarcely possible to find this sense of direction under a government which cannot decide whether it should follow the Liberal direction or the socialist direction. The country cannot be given that direction if the government does not know its own direction. This is of vital concern to us all because of the crisis situation in which this country now finds itself.

When a general election is held in Canada, and held it must be despite the chameleon adaptiveness of the Prime Minister (Mr. Trudeau), the choice for Canadians primarily will not be between two parties but between two ways of life. One way of life is to be seen by the present alliance between Liberals and socialists. It is based upon the conviction that the government should be a kind of Big Brother, at the centre of life, and take over every aspect of life of the Canadian people. That way of life we see demonstrated in the way in which the role of government is expanding in Canada under the present administration which is taking on behemoth proportions.

It is now expected that the public service of Canada will expand to over 330,000 employees in the forthcoming fiscal year. If we add the members of the armed forces and others directly or indirectly on the federal payroll, we find that there will be working for the federal government directly or for the public service, including Crown corporations, in the neighbourhood of 500,000 persons, representing 5 per cent of the labour force of this country. The cost of that massive force mounts every year. The bill for the federal government is rising at a speed 50 per cent greater than the growth of the gross national product. The federal budget is such that there is now a levy on each person, adult and child, of $1,000 or more per year. The cost of living for Canadians last year increased by 9.5 per cent, but the cost of government will increase by more than 20 per cent.

I ask this question: what do Canadians have to show for this? Much of this increase in cost is based upon the faith claim made by supporters of the government that whatever problem the people face, the government knows best what the solution ought to be. Name a single need which Canadians have experienced and you will find there has been some attempt by the government to present a fully funded program to deal with it. We have agencies, boards, commissions, corporations and groups of all kinds drawing on the public purse. We have projects, coalitions, organizations and committees, all reaching out with open hands for federal grants.

We have poured billions of dollars into programs for removing regional disparities, eliminating slums, creating employment and improving the quality of life. Yet Canada still has deprived regions, substandard housing, jobless persons, mounting rates of crime, marriage breakdowns, drug addiction and alcohol abuse. It is clear that the spending of more and more public money by the federal government is not going to meet the needs of the Canadian people. We see that, for example, in the escalating costs of prisons. Last year the cost of operating our penitentiary service increased. The cost of keeping an inmate in prison has risen from $11,000 per year to $13,000 per year.

When we debated this issue in the previous session of parliament, I hazarded the prediction that if the rate of increase in the cost of running our penitentiary service continued to the end of this decade, by the end of the 1970's we would be spending $20,000 per inmate per year. I was wrong: we will reach that figure by 1978 if we continue to escalate costs at the present rate. Yet we see no indication of the government being aware that these expenditures do not achieve what they purport to achieve. The government has inflated the cost of its penitentiary program in order to put greater emphasis on rehabilitation. That aim I am sure all parties support. Certainly I do. Yet in exchange for the great expenditure the government has put out we have had little that is effective under the heading of rehabilitation. Actually, despite all the expenditures on our prisons, we have a recidivism rate of 80 per cent, which means that 80 per cent of the inmates of our penitentiaries have been in a penal institution previously. We find that instead of being rehabilitated, progressing and developing as normal citizens, a great proportion of prison inmates return to the penitentiary.

I cite this example to show that in one area undiminished growth in government expenditures will not achieve the objective which the government claims as justification for the growth in expenditure. In the Speech from the Throne I find no hint that the government will conduct a major re-examination of penitentiary services and the penal system in our country. Editorials in the Toronto *Globe and Mail* and the Toronto *Star* in recent weeks have reflected analytically and critically on the increased cost of our prisons and on the failure of our prisons to deliver the rehabilitative goods.

Those newspapers have challenged the government to face this issue honestly and to see if there are not more effective ways in which the public purse can be protected and offenders against the law dealt with. In this matter we have another example of the way in which the government is spending, spending, spending without being able to demonstrate to the public that in exchange for the massive outlay in public funds it is able to deliver the goods which it has set out to deliver. I hope, therefore, this House of Commons will be far more critical of the attempts by the government to inflate the federal budget.

● (1710)

One of the facts of life in Canada today that the government has refused to recognize is the hard fact that a major element in the high cost of living is the high cost of governing, and that the government of Canada is itself a contributor to the inflationary crisis that is now affecting the people of Canada. The hon. member who preceded me spoke with some enthusiasm about the way in which all Liberal members of parliament contribute to the thinking of the Liberal government. One gets the impression that the caucus of the government party is one great, expanded cabinet meeting. If that is so, it would certainly be salutary and in the interest of the people of Canada if more and more Liberal members had an economizing influence upon their high-spending ministers.

One thing that has become clear to the people of Canada is that they are being required by the taxation process to put more money into their government and they are not getting back from the government the kind of service to justify this outrageous expenditure. For example, I have here editorials from the Ottawa *Citizen* commenting upon the growth of the federal budget. The Ottawa *Citizen* states it is costing us more for the public service to do less. The Montreal *Star* refers to the way in which thousands of persons have been added to the federal civil service, while the service gets worse.

We have to realize that across this country it is becoming more and more clear that simply having a program initiated by the government at extraordinary expense will not meet the needs of the people. We must recognize that it is time we had a government that has some trust in the people of Canada and which recognizes that if the people of Canada could have more of their own hard-earned income remaining in their hands, they would be able to deal more effectively with their own problems.

We need to replace the Big Brother complex of this government, which believes that it primarily has the right and capacity for meeting the needs of the Canadian people, with one that recognizes the Canadian people have within their competence the wherewithal to meet their needs and to deal with their problems. What they require most is some freedom by which they can have more control over the income for which they have laboured. The Big Brother mentality of Liberal socialism that now governs Canada is robbing each taxpayer of that for which he has laboured.

If this parliament were really serving the needs of the people of Canada it would be seeking a program, enunciated in a throne speech, that would emphasize the way in which a government ought to trust the people of Canada. We have had too much Big Brother government: what we need is more faith in the people.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I should like to join other hon. members in congratulating the mover and seconder of the Address in reply to the Speech from the Throne, the hon. member for Spadina (Mr. Stollery), and the hon. member for Sherbrooke (Mr. Pelletier).

They showed that they are not only able parliamentarians but also that they can speak with conviction and are concerned with current problems, not only with those within their constituencies but also with those that concern us as Canadians and citizens of the world.

Mr. Speaker, as my time is limited, I shall spend less time than usual on discussing the Speech from the Throne, especially when dealing with my constituency and its problems. I shall restrict my comments to one problem, which I believe is a very important one at this time. Even if this is not a local problem, one which concerns only my constituency, in view of its importance at the national level and the effects that it could have on my constituents, I shall deal mostly with unemployment insurance, with the criticisms aimed at this system and with the famous reforms and investigations that some people in this country, particularly the members of the Progressive Conservative Party, would like to see undertaken.

[*English*]

Before doing that we must deal with one other issue that has been discussed in this debate and all over the country. That is the issue of inflation and rising costs in Canada. I

wish to put on the record—I will not use the word "stupid"—how illogical is the position of the Progressive Conservative Party with regard to inflation and rising costs.

There is no evidence at this time of cost-push inflation. The inflation is being caused by extreme shortages, not only in Canada but in the world. To suggest the simplistic solution of wage and price controls only because it is an appealing political slogan is very irresponsible. The Conservative Party says it has its roots in regions of this country including my own area in the maritimes. They want to freeze the salaries of the people in my constituency and in other parts of the maritimes. These people work for $2 an hour, and sometimes less. Even if they earn $2.50 an hour, how will their problems of inflation be solved by freezing their salaries for 90 days? That is not only ridiculous but irresponsible.

Some hon. Members: Hear, hear!

Mr. Breau: Members from Newfoundland and Nova Scotia have been talking about the terrible rise in food prices. The price of fish in Newfoundland, New Brunswick and Nova Scotia has never been so high. For the first time in my short experience I can see fishermen getting a fair price for their catch. They are finally receiving a good income with which to support their families. However, the Conservatives would like not only to freeze the price of their product but their income.

I can cite figures to show that salaries of fish plant workers in Newfoundland and New Brunswick are about $3 an hour for the first time in the history of the maritimes. However, the Conservatives are saying to these people that they will solve their problems by freezing their income. Not only does it not make sense from an economic point of view, because it has failed in Britain, the United States and anywhere else where it has been tried, and not only is it stupid, but how can those people talk about social justice on the one hand and policies like that on the other?

Mr. Blenkarn: Oh, oh!

Mr. Breau: The hon. member for Mississauga (Mr. Blenkarn) comes from the Toronto area where people earn $5 or $6 an hour. He does not understand what it is like to work in a fish plant for $2 an hour. I can appreciate his position. However, even if there were no members of his party from areas of the country where people work for low wages, I thought he would have enough heart not to suggest economic policies which mean that poor people have to bear the cost.

● (1720)

An hon. Member: That is unfair.

Mr. Breau: I wanted to speak about unemployment insurance because again we hear the same two standards expressed by the Conservatives—

Mr. Danforth: The same old bunch over there.

Mr. Breau: Time and time again members on the opposition benches bring up errors in administration, dramatizing everything that occurs. The Liberals brought in this program in 1971 at a time when they were in a majority position in the House. We did so because we believed it was good legislation, a step toward social justice; and we did so because the labour movement in Canada has failed to organize or to represent poor workers. It is well known that the labour movement has not succeeded in organizing strong labour movements among the poor.

When the Liberal government brought in the new act in 1971, a measure of social justice was brought to these people for the first time. By doing so we ensured that those workers, too, would enjoy a degree of independence of the kind possessed by workers in the riding of the hon. member for Mississauga who can bargain successfully for $5 or $6 an hour and compensation in the event of lay-offs. In my constituency, the large majority of workers do not have that power.

I should like to read part of an article by Mr. James Stewart which appeared in the Montreal *Star*. We have heard a great deal of nonsense about employers in New Brunswick and elsewhere being unable to get workers because of the effect of unemployment insurance benefits. That picture is completely false. I have lived in New Brunswick all my life and I know a great many poor people, people who draw unemployment benefits, and I have yet to meet a man who has refused a well paid and secure job. It is true that I have met people who have refused jobs that I would not give to a slave. It has been stated that because of unemployment insurance, employers cannot get workers in the fish processing or the forest industries. The article to which I referred states the following with reference to a study which was made of the forest industry in New Brunswick:

> Out of approximately 550 persons identified as having left employment in the forest industry, only some 90 have been identified as drawing unemployment insurance benefits.

This means that some 460 people left for other reasons. Many industries have been asking people to work like slaves. When members constantly raise questions directing attention to weaknesses of administration, they should remember that when we brought in the new act we had to merge two acts together. When that is done, problems are bound to arise. Critics are playing upon the fears and, in some instances, upon the hate of those who are against this system of aiding the less fortunate in society. They are encouraging those who wish to destroy any program which gives defenceless workers a chance to become more independent. A lot of workers in my constituency have become more independent because of the UIC. I do not apologize for this. Neither do I apologize for those associated with the labour movement in other parts of the country who can bargain from strength and achieve security and a decent standard of living. Many people in my constituency no longer have to go out into the woods in December, January and February in six or seven feet of snow. They can draw benefits—

An hon. Member: In other words, they don't have to work.

Mr. Breau: Would the hon. member who made that comment like a job in the woods, in seven feet of snow at forty bucks a week? Could he live on that? This is what has happened over the years. We have given people a

chance to become independent. In the past they were exploited. I am not saying there are no weaknesses in the act or in the work of the commission. There are bound to be some administrative weaknesses. But I draw it to your attention, Mr. Speaker, that last year a new concept was introduced into UIC administration—I forget the English term, but in French it is called "le concept d'administration par modules ou les modules administratifs." The administration of the UIC offices was broken up in such a way as to bring the staff closer to the unemployed worker, with the result that the civil servant dealing with a case is better able to understand the worker's claim and the worker, for his part, has an opportunity to understand the act better. This humanization process will probably lead to fewer abuses.

In this program there are, of course, bound to be weaknesses and abuses, but there is not one government program or area of public policy of which I am aware in which no abuses occur. I was in business myself. I used to meet a lot of businessmen and I know how they can arrange quite legally, to avoid all sorts of taxes. Why is it so bad for poor people? Why is it so bad if a person does abuse the unemployment insurance program, when others are allowed to go unchecked just because they have a better education and a different life? The UIC was established by a Liberal government because it saw the need for social justice, because the labour movement has failed to protect poor workers. Any review of the work of the UIC had better not detract from that concept of social justice. As I say, this measure was not brought in at a time when we had to bow to pressure from the New Democratic Party: it was at a time when we enjoyed a majority in this House.

Last year there was a lot of talk about Bill C-125. That bill was brought down by the government as a measure of the concern for some of the abuses to which attention had been called. The reason the bill did not move through all stages was not simply because of opposition from the NDP. It is probably a good principle to say that workers leaving their jobs without just cause should not receive unemployment insurance, but there is no way in which this principle can be administered before we are sure that humanization and decentralization of the administration has been tested thoroughly. We must make sure that people are not judged by a civil servant who is 100 miles away.

● (1730)

In addition, we must drastically change the appeal procedures. More appeal committees are required in rural areas and small communities so that decisions are made in a humane way. I conclude by saying that this review had better not retract from the concept of social justice from which the legislation was born.

Mr. John Wise (Elgin): Mr. Speaker, it is certainly a pleasure for me to join with other members in the final stages of this throne speech debate. I should like to preface my remarks by extending my best wishes to His Excellency the Governor General and Madame Leger. He has already made his mark felt in the Canadian fabric, and I am sure all Canadians look forward to seeing His Excellency and his wife in the near future as they begin their tour across the provinces of this great country.

I should also like to pay tribute to that great statesman who will be sadly missed, not only here in Ottawa but indeed all across this country, the Hon. Roland Michener, a great man who has reached into the hearts of all Canadians. To him and his wife I wish many joyous years in their new life. Congratulations should also be extended to the mover and the seconder of the address in reply to the Speech from the Throne.

In the past week a great deal of criticism has been levelled at the government by many members of this House for the failure that it displayed so remarkably during the past session. To me, this Speech from the Throne sounds no different from others I have heard and read. In particular, it has a very familiar ring; it reminds me of that given a year ago. Speeches produced as of late by the office of the Prime Minister (Mr. Trudeau) for such occasions always sound dull, dead and full of the same old promises and hints that the government is taking the wishes and desires of the people and the provinces into consideration.

The Prime Minister has described the throne speech as a matter of fact program setting out the intentions and the priorities of the government in this second session of the twenty-ninth parliament. It is a matter of fact speech in that the government has forgotten, or just plain refused to deal with, the important issues that face Canadians today. One of the greatest issues, of course, as one only need ask any Canadian, is inflation, not the so-called energy crisis. Another is the spiralling cost of goods and extreme shortages, particularly shortages in the construction and building industry at the present time. It is obvious that the government has tried to buy time by hiding the facts from the people.

As much of the press and news media to the south of us say, if you give the people a new crisis or problem it will take their minds off the real problem. This is why the minority government has leaped at the opportunity to use the energy crisis as a cover-up. What does the government want to cover up? Obviously, the one thing it did not want to acknowledge was the cancerous effect that inflation was having on the health of the economy of this country. Inflation has turned those on fixed incomes into nothing better than beggars who are reliant upon the few crumbs that this government saw fit to throw in their direction last year. Inflation has been blamed on worldwide problems such as the United States economy, even the Zulu problem in Africa. In other words, Mr. Speaker, everyone has become the scapegoat instead of the goat, which in this case is this government and its partner in the coalition that we have seen in the House during the past year.

This throne speech has been termed by many hon. members a complete and absolute failure. It has failed to provide a means for halting the inflationary spiral that my party has been warning of for months. It has failed to give hope to the people of this country. Instead, it has given them the story that we will have to put up with it for a little bit longer. Many people have noticed the mild form of brainwashing that has been going on in recent weeks in press releases and statements made on behalf of the government. First we were told that the economy of Canada

was growing at a fast rate. Then we were told that it was growing even faster than the rate of most other countries. Then we were told that we could afford to suffer more because we had had it so good up until now. It all adds up to one thing, Mr. Speaker, and that is that the worst is yet to come.

Last Thursday the right hon. member for Prince Albert (Mr. Diefenbaker) who made, as always, an eloquent speech in the House, presented a detailed analysis of the actual rate of inflation that has been experienced in Canada in recent years. As he pointed out, in 1971 the Prime Minister said that inflation was licked, that we in this country had beaten it. This, of course, was at the expense of the workers; we experienced the greatest rate of unemployment we have ever known in recent years.

In 1971, inflation began at the mild rate of 1.6 per cent. By the end of the year it had risen to 5 per cent, and so on until at the end of 1973 it had reached the rate of 9.1 per cent. These figures reflect the government's attitude to government: it is a group of people who are reluctant to act, each relying on the other to prop up the boat. In other words, the boat is out of control and we can all expect to be floundering in the future under the ineptness that this government has displayed.

Today Canada is beset with deep-rooted and chronic problems. It is up to us to decide whether we want to cure those problems or to sit by and do nothing about them. There are many signs in Canada today that unemployment will continue to rise in some regions of this country, while in others, such as my own area, labour shortages will exist. There will be further price increases, creating more social inequities and requiring more government expenditure, resulting in even greater inflation. We have a serious economic problem, and if we are to survive something must be done about it.

One thing that a government must not do is to put forward the proposition that we sit idly by and do nothing. But this government's policy seems to be to sit and wait, hoping that the inflationary forces will go away and that things will work out all right in the end. This is the road to disaster. There has to be a recognition of the responsibility to maintain price stability. To pursue the government's present course of action, to take more of what we have had already—which is really what the throne speech promises—will lead to higher inflation, greater increases in prices and more frustration for those unable to meet those prices.

The list of failures one can draw out of the throne speech evidences the lack of mention of any of today's important subjects. For example, there was no mention of a planned reduction in or elimination of the federal sales tax on all clothing and building materials. Why not? There was no mention of the program of the Minister of National Health and Welfare (Mr. Lalonde) to consult and negotiate with his provincial counterparts to lower the age of eligibility for old age pensioners to 60 from 65, either on a voluntary basis or on a year by year basis.

No mention was made of any inquiries into profits from oil, intercity rapid transit and a host of other items needing legislation. No provision has been made for a full inquiry into the Unemployment Insurance Act and the way the commission has been administered. The government has failed to deal adequately with the acute shortage of farm labour. If there were provision for the same number of farm labourers as there are government employees hired to administer the schemes and many plans that exist today, there would be no difficulty in this area and Canadian farmers would not have to scrounge all over the world in an effort to find workers to harvest crops.

● (1740)

Too many people find it more profitable to collect unemployment insurance benefits, and the benefits of other schemes, than to work. Others who work and receive less than those on unemployment insurance and other government schemes are understandably dejected. It is an undeniable fact of human nature that an individual is happier when he or she is productive. Human beings cannot be content for too long without achieving, without striving, whatever their goal or the end result. Just being, without doing, runs counter to human nature and to history. Therefore, the man who wants to work but cannot feels deceived and rejected.

Perhaps the most serious consequence of all this is that people who have lost their incentive to work and to succeed have lost faith in themselves and their government. The first is disastrous, but the second, of course, is understandable. This is a tragedy beyond description. It is particularly a tragedy for a young country which has so much in the way of human and material resources, a country which should be on the threshold of its greatest era.

This is the path down which this government is leading us. So preoccupied is it with its so-called crisis of the moment, so preoccupied is it with its lust for power that it is blind to the course of events which, I am sad to say, is not unfolding as it should be. Recent figures released by Statistics Canada show that the consumer price index is reaching ever higher points. In fact, it was only a few months ago that we saw the highest percentage increase in almost 30 years. Although these trends have been forecast, it is still depressing to have the cold reality verified by statistics. To me, it seems inevitable that if we remain on our present course Canada will suffer economic chaos and disaster.

It is the bread and butter issues that make Canada, and it is the bread and butter issues that are foremost in the minds of the people. It is the things that affect bread and butter issues that should be examined, if we are to resolve our problems. Canada's problems on the domestic front will not be resolved by spending hundreds of thousands of dollars in financing groups to overthrow the white regime in Africa. Our problems will not be solved by the spending of hundreds of thousands of dollars on metal abortions called sculptures, while people live at or below the poverty line. Our problems will not be solved by wasting money in refurnishing government offices at high cost, or by having the plants inside public service buildings changed every few months.

We in Canada require a new, imaginative and different economic policy. We need a policy that will embrace the future in security for all Canadians—the old, the young, the French, the English and the new Canadian, as well as the poor and the not so poor. No other objective is appro-

priate for Canada than the objective of making a nation that is truly great. That objective, I submit, has been missed by this minority government.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, during the recess of parliament, my colleagues and I from northern Ontario travelled rather extensively throughout that vast region which extends from the Manitoba boundary to the boundary of Quebec. Incidentally, that huge region of which I speak is much more than the hinterland of Toronto. It is also something greater than the underdeveloped backyard of Ontario. Northern Ontario in itself is, and must continue to be considered by the federal government as one of the major economic and geographic regions of this country.

During our tour, my fellow members of parliament and myself sensed a new attitude of optimism among the people who inhabit this region. Far from feeling neglected and forgotten, these citizens of Canada now see that the future is on their side and that greater prosperity and economic development is on the verge of being theirs.

Mr. Baker: The Davis government is on their side.

Mr. Penner: The Davis government has just recently discovered northern Ontario, as indicated in their Speech from the Throne. It has paid lip service to the region but we in northern Ontario are not fooled by that, and that is why we have not elected any Tories to the House of Commons from our region.

In this world of serious shortages, we in northern Ontario possess a great deal of what is needed and what is in increasing demand throughout the world, including pulp, paper and paper products, lumber, iron, copper, lead, zinc, gold, freshwater fish, wilderness areas for recreation, and breathtaking natural beauty to satisfy the eye of the most discriminating artist. It is even suggested by some that before too long we may be producing oil from wells located near the shores of Hudson Bay.

Facing all this development as we are, we are also confronted with a serious difficulty, namely, the need for an adequate labour force to bring on-stream the resources which we have and which the world needs. Strenuous efforts are urgently demanded to attract many thousands of new people into northern Ontario to work in the mines, the mills and the forests of this region. Much of the work is hard and we require a hearty breed of people who are physically fit and who during their time off are able to enjoy and find satisfaction in outdoor recreation such as skiing, skidooing, fishing, hunting, boating and hiking. To bring these people from the congested cities of this land and from overcrowded countries abroad, we must make available to them a number of basic requirements, including adequate housing, of course, essential community services such as sewage treatment, water, health care and recreational facilities including radio and television communication. Many communities in my constituency badly need upgraded facilities for recreation in addition to that which is offered by the outdoors itself.

We are very pleased with the announcement by the Secretary of State (Mr. Faulkner) that additional funds will be provided the CBC for its so-called "accelerated coverage plan." It may surprise some hon. members of this House to learn that while city dwellers have multi-channel television, there are communities in northwestern Ontario still lacking even the basic radio-television services provided elsewhere by the CBC. Pressure is also continuously being exerted on Bell Canada to expand and upgrade telephone communications in remote areas of sparse population. The capital cost of these projects is immense, but we do not apologize for one moment in expecting people in Canada who already have these services to help us and to share the cost. After all, we have provided much of the natural wealth which has helped to make possible the very high standard of living enjoyed elsewhere in Canada and now we are asking for some return.

It has long been the practice in this country to extend certain tax advantages to those companies engaged in resource development, particularly mining. This system was altered to some considerable extent by the federal government's tax reforms and most provinces are now making changes also to reduce these tax privileges. Be that as it may, one possible solution to the manpower shortage in the resource sector, which has never been applied in Canada to my knowledge, would be the offer of special tax advantages to those who work in the mines, the mills, the forests and on the railroads in our resource regions—those who work hard under certainly less than favourable conditions and those who live in communities which lack many of the amenities which people elsewhere in Canada, particularly in the urban areas, have come to take for granted.

It is one thing to work in air-conditioned offices, with coffee breaks, lunch hours, soft chairs, conference rooms and cafeterias; it is quite another thing to handle a chain-saw all day, operate a heavy drill deep in the earth, or run a deisel locomotive for hundreds of monotonous miles through a tunnel of coniferous trees. If we want the natural resources of this country to be processed and turned into manufactured goods for our use and for export, and if we want to provide the liquid wealth for business and investment—and I am sure we do—then we must give extra consideration to those who work so hard in developing these resources. They must be well paid, better paid than most, I suggest. They must be given improved housing, health care and recreational facilities. In addition, it seems to me we should consider that an extra tax exemption is due to the workers of this country who produce our natural wealth. We now give special consideration to those in business. The previous speaker mentioned the way in which people in business are able to use the tax laws to their benefit. I argue that those who dig the ore and cut the trees need, and deserve, a special resource-developer exemption of at least $1,000 per year. This will, of course, cause some bureaucratic outcries to the effect that such a proposal is complicated and may be difficult to administer. It will be asked, who is a resource developer? There is no doubt that if you drill rock in the damp and dust of a mine, you are a resource-developer; or if you handle a chain-saw in the forests of this land in all kinds of weather, you are a resource-developer. Because of the difficult nature of their work, less of what these resource-developers earn should be destined for the government treasuries of this land.

● (1750)

The time is brief for participation in this debate, but before concluding I should like to make a few comments about our railroads. The railway companies of this country certainly need a vigorous shaking up. Employee morale on the CPR is appallingly low. Although morale is somewhat better on the CNR, it still leaves much to be desired. Those in the running trades on the CNR, for example, are terribly overworked and fatigued. They put the maximum number of trains through the railway towns of northern Ontario. In the very midst of this situation, the CNR and the Brotherhood of Locomotive Engineers have conspired together—there is no other word for it—to force upon the CNR engineers in Nakina and Hornepayne, Ontario, a run-through proposal which involves extra miles, longer hours, more time away from home, further fatigue and an additional threat to safety.

Tomorrow morning a meeting is scheduled with a union representative and officials of the Department of Labour to make a plea for a moratorium on this run-through proposal. We will also ask for an inquiry in the town of Hornepayne with the workers who will be affected. We hope that during our discussion tomorrow the union leader will remember that to call another man "brother" means to act in his interest, to defend his rights and to be concerned about his well-being, rather than to work in concert with the company to initiate change in the name of efficiency, which seldom proves to be the case and which only imposes new hardships on these men.

During the life of this parliament, and no doubt in the next one, more and more attention will be paid to the natural resources of Canada which we possess in such abundance. New policies will be required to guarantee a continuity of supply, more processing in Canada and better communities located in our resource regions. Certainly, as I have indicated in my brief remarks, fresh incentives are needed for the worker who performs the hard labour in order to raise still further the standard of living for Canadians wherever they live.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, first I should like to compliment the mover and the seconder of the address in reply to the Speech from the Throne. Also, I echo the best wishes of other members to His Excellency the Governor General upon his appointment. While I have nice words to say, I should like to compliment the Minister of State for Urban Affairs (Mr. Basford) for finally realizing that the shortage of serviced land has created the enormous problem-which exists in respect of housing in this country. He referred, unfortunately only in minor detail, to the proposal made by members on this side of the House and adopted, so to speak, our suggestion that this government has a responsibility to use its funding, its power over the money supply of this country, to make it possible that efficient land be available for building.

An hon. Member: A deathbed conversion.

Mr. Blenkarn: It certainly is a deathbed conversion, but finally, once again, this government has adopted policies proposed on this side of the House.

I was also pleased to hear the Prime Minister (Mr. Trudeau) say that he intended to get tough with the big guys big business, big labour and big government. I am surprised that he did not speak to the parliamentary secretary from the riding of Gloucester and advise him that that essentially is the basis of an incomes policy. It is unfortunate that the party which governs this country cannot understand economics.

However, what I really wish to speak about today is the inordinate cost of housing and, in particular, housing land. It is unfortunate that the Minister of State for Urban Affairs is not here. When I spoke on the question of housing costs and housing lot costs in the debate last year, the price of a lot for a single family house in my city of Mississauga was about $20,000. Unfortunately, I must report to the House that because this government has done nothing about the cost of housing land, and because it has allowed inflation in respect of housing to run rampant, the cost of a single family lot in Mississauga—not just one, but 90 lots in a subdivision; and not an ideal lot or subdivision but one which backs on the Queen Elizabeth Highway, with all its noise has been negotiated for $42,500, an increase of well over 100 per cent in one year.

Mr. Speaker, May I call it six o'clock?

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

At six o'clock the House took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Blenkarn: Mr. Speaker, before the supper adjournment I stated that land prices, indeed house prices in my constituency certainly and also across the country, were disastrously high a year ago for a young family wanting to buy their first house. To describe them as disastrously high today would not even begin adequately to describe the problem. A year ago the Urban Development Institute indicated that possibly no more than 5 per cent of families could afford to purchase a new house with the minimal down payment required to cover the financing. I suggest to you, sir, that even though we have the increases in wages this year, under no circumstances can any but a very few young people raising a family begin to contemplate the purchase of their own house.

As I said before supper, I welcome the indication by the minister that he is prepared to do something about serviced land. There is an old political saying that members of the opposition often use: too little, too late. With prices of housing rising today at an unprecedented rate, it is certainly too little, too late. Presumably one of the problems is the fact that this government continues to rely on Statistics Canada for an indication of housing costs. I would like to remind them that Statistics Canada, in determining housing costs, is not referring at all to new houses prices; it is referring to the cost of maintenance of housing. To most of us, the cost of keeping our house does not increase because we have an existing mortgage or an existing lease on an apartment, so Statistics Canada does not really reflect the enormous escalation in costs. It may refer to heating costs increasing, it may refer to electricity

costs increasing, or to some increases in interest rates, but those increases are only a bag of shells compared with the real costs for those wanting to enter the housing market, for those who have no home, who have a new family and who want to get started in life.

In Toronto alone the average price of a house sold under the multiple listing service last year increased by $9,000. I doubt that there are many members of this House who, relying on the salaries paid here, and even if their wives are working, would be able to save in one year $9,000 after payment of taxes. That is the extent of the increase. It boils down to this fact, that those who have been trying to get a few dollars together to buy a house suddenly see the cost of that house going up and up.

I can say to you, sir, that in my city of Mississauga the price of a house is increasing at the rate of nearly $2,000 a month. When I asked the minister last Friday what he was going to do, and did he realize that the price of every house was going up at the rate of $50 a day, seven days a week including Sundays, the minister said something about social housing and he mentioned the Speech from the Throne. I say that the Minister of State for Urban Affairs and this government have no concept of the social damage they are causing in condemning forever most young families and their children to wandering in apartment corridors or using apartment parking lots for playgrounds. That is the policy of this government. They are not really concerned about what in fact is happening. They rely on Statistics Canada and say that the cost of housing went up 7 per cent or 8 per cent. That is not the case at all. Perhaps for the average person it did go up by only that amount, but for those who have young families to raise the cost of housing has become prohibitive. Yet my friends to my left continue to support this excuse for a government.

We in this party welcome the government's suggestion that it will support urban transit. There are now arrangements for service on both the CNR line running through my constituency and the CPR line servicing Streetsville and the centre parts of Mississauga. That rail line could well support commuter service. This boils down to the whole question of servicing, because the Speech from the Throne seems to suggest the minister thinks that just increasing sewage assistance programs would be an answer to the problem of the cost of servicing. Surely by now the minister realizes that urban transit, parks and water service are an integral part of making serviced land available so that houses can be built. Surely the minister realizes that just increasing sewage assistance programs is not enough. Although it is welcome, it is just not enough. As I have said, it is too little, too late. In fact, it is very much too little, and in many cases very much too late.

That brings me to the very serious problem now confronting this country. To a large extent it was set out by the hon. member for Don Valley (Mr. Gillies) when he spoke earlier in this debate. He suggested that we have a housing problem, but that housing problems cannot be solved in the inflationary climate that exists. So long as prices continue to escalate, this government's answer seems to be more social housing. Pretty soon they will have people earning $20,000 a year qualifying for social housing.

[Mr. Blenkarn.]

An hon. Member: Hear, hear!

Mr. Blenkarn: These people would have everybody in blue jeans.

Mr. Knowles (Winnipeg North Centre): The Governor General and the Prime Minister live in social housing.

Mr. Blenkarn: One of the major problems is that people throughout this nation have no confidence in paper money because this government has no confidence. This government has no intention of stepping in with an incomes policy or with a commodities policy. I am glad the President of the Treasury Board (Mr. Drury) is here, because I was after him earlier today. He said that what I said was rhetoric, but look at the way he produces blue books. The only increase in size is, not physically but in the size of the figures at the bottom of the pages. Billions of dollars are allocated by this government for one expenditure after another, and the cost of government grows and grows like a snowball rolling down a hill. Surely in a government that was concerned about people there would be some control over government expenditures, but the money supply has been increased by 50 per cent or 60 per cent in three years.

● (2010)

People in this country have no confidence in paper money: witness the lines in banks to buy gold and silver; witness the price of Olympic coins and their shortage. People with no confidence in paper money are rushing into the housing field to buy residential housing; they feel that real estate will protect them and their savings against the ravages of inflation. Housing is already in short supply, but the price is being pushed up by one speculator vying with another. "Every man for himself" is all this government talks about. The message is, "Protect yourself against inflation in this country, because Trudeau's gang is not going to help you". That is fine for the rich and for the privileged, because they have the credit with which to buy real estate; they can get a bank loan or go to a mortgage company and get a mortgage loan. They can buy and bid up the price. You fellows would like to continue to support them because you really do not believe in the ordinary fellow; you believe in the privileged groups such as the big unions.

That is exactly the kind of attitude of this government and its lackeys to my left. They really do not care about the ordinary person. This government does not care about organizing and using its powers over banking and financing to make sure the banks will no longer advance money directly or indirectly on second mortgages. It does not care that trust companies and loan companies will continue to use the sale price as the valuation price, even though the value of the bricks and mortar represents less than one-third of the total price in many cases; even though most of the value is in land, and land values are bid up; even though all sorts of people who need housing compete with speculators, real estate agents and lawyers. Those who have the bucks in their pockets and the credit allowed by the banking system, which should be under the control of the Minister of Finance, continue to finance speculators.

Let me tell you a couple of stories, Mr. Speaker. One of my senior employees bought a house the other day that

was listed at $79,000. Before he bought the house he heard that three or four other offers had been made, so instead of bidding the list price he bid $81,000. He was lucky; he got it by bidding $250 higher than anyone else.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him by the rather exact rules decided upon today has expired.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, recently there has been some publicity about a private member's bill that I introduced which calls upon this House to have a committee formed to examine the request that has come to Canada from the council of the Turks and Caicos Islands for a closer relationship with this country. The press coverage on this matter has been very large. From the smallest to the largest newspaper in Canada the idea has been examined. It has been covered by radio and by both national television networks. The story of the islanders wanting to join Canada has taken on a life of its own away and beyond my advocacy in putting it forward and many people have become interested in the idea.

Mr. Yewchuk: Would you like to be the first governor?

Mr. Saltsman: I would not mind.

Mr. Yewchuk: I thought you were looking for a job.

Mr. Saltsman: I have not seen an idea capture the imagination of the public to the extent that this one has, during my years in parliament. It is not that this is the most serious problem facing Canada and deserves priority, because Canada has many weighty problems to deal with. We heard of those problems in the Speech from the Throne. But in some ways the idea of these islands is a relief to Canadians from the discussions of inflation, housing, employment and all the other great issues in this country. This is nevertheless an important idea, Mr. Speaker, and many people in Canada want it examined. My office has received hundreds and hundreds of letters urging me to continue bringing the matter before the parliament of Canada and enlisting the support of the members of this chamber.

The idea has developed from the initial reaction of newspapers taking a sort of humorous view of it, as a kind of winter madness thing that seizes a member of parliament. Reaction has ranged from the idea that I was seeking publicity in bringing this matter before the country, to the idea that after nine years parliament is finally getting to me: "The man is off his rocker even to be thinking about things like that". I hope neither of those two extreme views is true, Mr. Speaker, because I have been serious about this matter from the very beginning. It is not the sort of thing that one plays around with. One does not play with the emotions of a group of people who have made a serious request to this country. I am asking the Canadian government and the House of Commons to respect the sincere petition that has come to this country to examine the idea of a closer relationship.

Basically, what I want to do in the few minutes available to me tonight—because there is not enough time to go into detail—is deal with essentially the attitude that has emanated from the government and which presumably is the position of the Department of External Affairs as expressed by the minister. First of all, they do not want to hear anything about it; they want it to go away. They do not even want to examine the idea, and they certainly do not want to discuss it. I can understand that there are some serious issues involved in a closer relationship with a group of islands in the Caribbean regardless of how well intentioned the islands, or myself or others advocating the idea may be. It means that we would have to examine our foreign policy in the Caribbean. You cannot just talk about whether 6,000 people in the islands are going to come into Canada as if that is the end of it. It has repercussions on our foreign policy in the Caribbean and our relationship with other countries there, and their future.

If these islands were to come into some kind of closer union, they would receive benefits from this country and we would receive benefits from them. Other countries in the Caribbean might then make the same request to the Canadian government and we would have to decide what our foreign policy would be. So I am not discounting the fact that the Secretary of State for External Affairs (Mr. Sharp) has a perfect right to be wary of a proposal of this kind and to consider its seriousness.

It is also very obvious that if the Turks and Caicos Islands were to come into Canada in one form or another, they would probably be better off than other countries in the Caribbean with the repercussions that flow from such a situation. It would also mean that Canada would be challenging the United States in the Caribbean. The United States dominates the Caribbean in commercial matters because of the port facilities in Florida. If we were, by taking in these islands, to become part of the Caribbean, we could challenge the commercial supremacy of the United States in that area. It also means we would be willing to accept black people into confederation in the same way as we have accepted white people.

● (2020)

When I talk about the Turks and Caicos Islands becoming part of Canada, people say, "That is pretty well impossible. It cannot happen". I always respond by saying, "Why not?" If Newfoundland became part of Canada, why cannot these islands become part of Canada? They are closer to Ottawa than British Columbia. So distance should be no object. We must decide whether the only people who are eligible to become citizens of this country are white or whether blacks as well are to be eligible.

I do not discount the seriousness of my proposal. I like to think that we in this country have advanced to the point where colour, religion and similar factors do not make any difference and men and women are accepted into our society for what they are. Many can say that; on the other hand, many will say that we have not reached the point at which we are without prejudice and can comfortably assimilate many people of different kinds. That will be the point we shall need to determine. We must ask if we are ready to remove distinctions between people, especially people who are asking to become part of this country.

They are serious about becoming part of Canada, and it is quite proper for the Department of External Affairs to

raise such issues and to worry about them. However, I object when the Secretary of State for External Affairs raises issues which are less than real and are designed to confuse rather than to clarify the situation. First, the minister talked about a new form of imperialism. He has since modified his position: he no longer talks about imperialism, he talks about colonialism. He said that our action, if we assimilated the islands, might be interpreted as imperialism or colonialism. Why in the world did he make a statement like that? It is not Canada which wants to take the islands in; it is the islanders who have petitioned Canada for they want to become part of this country.

The minister's utterances reflect the views of liberalism. According to modern liberalism, it is fine for such islands to seek independence. We will give them a little foreign aid, pat them on the head and tell them to go their own way, but we want no part of them. Such thinking masquerades as modern thinking. It is all right to atomize the world! I suggest that by taking members of a poorer society into our midst we would be fulfilling our responsibility as a richer society.

The minister talked about building a fence around the islands. Has anybody built a fence around this country? A fence does not keep out the poor. It is our immigration policy which keeps out the peoples of the Caribbean. That is the fence we have built around this country, and if you take the islands in we car build it around them, if that is what you want to do. The situation would not be the same as in Grenada: the people in the Turks and Caicos Islands want to belong to Canada.

The minister does not understand the reason for so much unhappiness in the Caribbean. White people give almost nothing to the people in the Caribbean, even though they may invest money and spend time down there as tourists. The real benefits which come to a people do not come from the few jobs you may provide in the tourist season. They come from being part of a society, part of a social structure, part of its wealth. If we want to help people, if we really want to redistribute wealth, we will take them in. If we take them in we may see the beginning of the end of people being pushed around, and perhaps the introduction of a modern form of federalism. Talk of modern federalism is not popular: talk of countries splitting apart seems to be more in vogue.

What bothered me most about the minister's statement was his bland suggestion that we must not raise expectations. How patronizing! We must not raise their expectations. You could almost hear him saying, "After all, they are people who do not have much education. They are not sophisticated. They would not understand." Mr. Speaker, these people are educated, and they do understand. They understand only too well how remote is the possibility of their being taken in. Yet remote though the possibility is, they want to see it debated in this country. They badly want to be part of this country and are willing to take a chance on the acceptance of this idea.

I can almost hear the minister saying what was said 20 or 30 years ago about programs like medicare. Some said, "We must not talk about medicare. It will raise the expectations of people, expectations which can never be satisfied. You must not talk about old age pensions of $35 or

$40 per month. You would only raise expectations. The poor will be upset because they cannot get such a pension and we cannot afford to give it to them."

Mr. Knowles (Winnipeg North Centre): That is exactly what Paul Martin said.

Mr. Saltsman: When you do not want to do something, you can always say that talking about it will raise expectations. Bringing forward this subject has laid a heavy responsibility upon me. I am fully aware of it. The alternative was to do nothing. It seems to me that what has been happening in the Turks and Caicos Islands is unique. It offers us a challenge to which we can respond. The danger of raising expectations must be faced, in the hope that we can provide a better future for the people in the islands and bring a new and beautiful area into Canada.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to have the opportunity to speak in this debate and to extend my congratulations to the mover and the seconder of the address in reply to the Speech from the Throne, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier). They are typical of the young, vigorous, knowledgeable and enthusiastic people who come to parliament. That is why this is such a dynamic place wherein so many things happen. I congratulate both hon. members on their speeches. Both members are bilingual. Even though they come from different types of ridings they display the same esprit de corps and the same enthusiasm for their work here. I also extend my best wishes and the best wishes of Algoma riding to our new Governor General and Madame Léger. We wish them well in discharging their new responsibilities as representatives of our country.

Perhaps more interesting than anything else has been the change in attitude of the opposition that we have seen in this parliament since the last speech from the throne was debated. The first session of the twenty-ninth parliament opened on January 4, 1973, with the opposition practically sitting on the edge of their seats waiting to move across the aisle to become the government. We do not see that kind of anticipation or expectation now. We do not hear them saying, "Within the next couple of months or so, when we take over the government of this country . . . " It is very understandable why they now have reduced enthusiasm and expectation. Their whole outlook has really dampened because of the progress made in the first session of the twenty-ninth parliament.

● (2030)

That session was one of the most productive sessions of parliament in many years. Over 50 pieces of legislation were passed. All of the major commitments for legislation outlined in the Speech from the Throne were carried out in that session, including many important items. The energy debate and the debate on legislation concerning privacy and wiretapping seemed to dominate the scene during the last two or three months of the fall session.

However, when historians write the pages of history for the first session of the twenty-ninth parliament they will find it significant because of the very many important pieces of social legislation that were passed. I think of the family allowance bill which increased family allowances

from $7.21 a month on average to $20 a month on average across the country. I think of the significant changes that were made in the old age security system, both the universal old age security pension and the guaranteed income supplement, and the fact that even though we previously tied this to cost of living increases, it was accelerated to become effective quarterly if there were increases in the cost of living.

I think of the changes that were made to the Canada Pension Plan to remove the 2 per cent ceiling in the benefits of the plan due to inflation. I think of the whole outline of attack on our social problems through the orange paper which the Minister of National Health an Welfare (Mr. Lalonde) brought forward in the spring of 1973. Much progress was made in the discussions with the provincial premiers on this policy, and more is to come. Certainly during 1973 the biggest and most expensive items were adopted as legislation by this House. Many pieces of legislation and policies adopted by the government were to counteract the effects of inflation on those who cannot protect themselves, people in the low income brackets and pensioners.

I think, also, of the assistance provided in respect of food prices, such as the subsidy on bread. A long-term agreement was made with the Canadian Wheat Board to ensure a stable price in the cost of flour over a seven-year period, combined with a subsidy not only to give the wheat producers a stable price for the next seven years but to give stability to this essential item in the diet of Canadians. I think of the consumer subsidy for milk. The government took action to control the increase which was inevitable in regard to oil produced in our country when world prices rose rapidly. I believe the 1973 session was very productive. I am confident that the session now beginning will be equally productive.

The Speech from the Throne refers to maintaining high levels of income, production and employment to increase the supply of food and other commodities. It refers to increasing the production of our country so that we may produce as many new jobs this year as in 1973. In his budget speech in the spring of 1973, the Minister of Finance (Mr. Turner) very modestly talked about creating at least 300,000 new jobs. By the end of the year over 430,000 new jobs were created in Canada, a record for this country. This is certainly the kind of fiscal and monetary policy which we need in a country whose work force will increase by 50 per cent from 1965 to 1980. There can be no doubt that with this continued increase in our economy there will also be more jobs in 1974.

There is also reference in the Speech from the Throne to protecting people from the effects of inflation by programs which were implemented in 1973. These were designed to help those on fixed incomes and large families through family allowance benefits and increases in veterans pensions of some 25 per cent. These programs were all implemented in the 1973 session of this parliament. Likewise, the government has acted to cushion increases in prices to consumers. I refer to the action that was taken relating to oil prices and subsidies on essentials such as bread and milk.

In his speech on December 6 the Prime Minister (Mr. Trudeau) gave the initial outline of a national energy policy; a plan to have one price for the whole country, a plan to be self-sufficient later in this decade by the construction of a pipeline, and the use of some of the export tax revenues to ensure that the price of oil in eastern Canada will be at reasonable levels. Perhaps one of the most important thrusts of the Speech from the Throne is the plan to ensure adequate supplies and production of food. To do this it is proposed to place many bills before the House in this session which will ensure there is a fair price for the consumer and a reasonable return for the producer.

It is planned to place a bill before the House relating to the Agricultural Stabilization Act to ensure that producers can produce their products and that if there are large-scale fluctuations in the producers' price, they will be protected. There will be changes in respect of advance payments. In the past we have had a scheme of farm stored produce on which advances could be made. This will be extended. I understand the limits will be raised in all parts of Canada.

The Speech from the Throne also refers to improved assistance to encourage young men to go into farming. This is very important. During the recess I attended a conference in Ottawa on the need for farm labour. This problem is being faced right across our country. At an earlier time farmers could perhaps run a simple operation without much help other than from the family. However, as the family grows up and moves away, and as farm units become larger, there is a greater need for hired help.

● (2040)

The conference went on to discuss in detail the measures necessary to encourage more people to work on farms. We also talked about a program being implemented this year by the Department of Manpower to establish farm labour pools especially for the assistance of market gardeners and fruit growers who require a large number of people for relatively short periods. Under this scheme, young people and others who wish to enter the labour force for a short period will be transported to countries where the crops are grown in an effort to overcome the labour difficulties faced in these areas.

Perhaps no greater problem faces Canadian agriculture today than the shortage of feed grain and its high price.

An hon. Member: There is no shortage.

Mr. Foster: Certainly, those who produce feed grain are fortunate to receive the price of they do today—possibly three times higher than it has ever been in our history. There is certainly a crunch felt by those producing beef, on the basis of this high-priced grain. I am confident the Minister of Agriculture (Mr. Whelan), in his usual capable way, will be coming forward with a solution in the coming days or weeks.

There were one or two items of great interest to my constituents announced in the Speech from the Throne and elsewhere. I refer especially to the announcement by the Minister of Regional Economic Expansion (Mr. Jamieson) that changes are being made in the DREE program under which incentives are given to industry to locate in slow-growth areas. Under the new program, smaller enterprises are now able to qualify for assistance. The minimum limit has been lowered from $60,000 to $25,000 or five

jobs, whichever applies. In November, 1973, a development seminar was held in my constituency and the Minister of Regional Economic Expansion was the keynote speaker. The question of the size of the enterprise which would be eligible for a grant was raised on that occasion.

In conclusion, Mr. Speaker, we on this side of the House are not so naive as to believe we have no problems to face in this second session of the twenty-ninth parliament, nor do we fail to understand their depth and the difficulties in finding solutions to them. But I ask the members of this House, "Would you be willing to trade these difficulties and the material and human resources which we have to deal with them with those of any other country in the world—Britain, United States, West Germany, you name it?" Not one person here would be willing to make such a trade. So let us not pay too much attention to the negative, carping criticism of the opposition. Let us not adopt stupid simplistic solutions such as the wage and price freeze which the Conservatives have advocated and which have failed in other countries.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but the time allotted to him has expired.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, let me first pass on to the new Governor General my best wishes and those of the people of my constituency. I wish him well and I wish his good lady well as they enter their first year of office.

[*Translation*]

I also wish to congratulate the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier) for having replied so brilliantly to the Speech from the Throne.

[*English*]

I want to use my time tonight to talk about some of the problems in British Columbia. We have heard of western alienation. I believe there are good reasons why the present government is in disfavour among the voters of my province. In the next election members opposite may get the shock of their lives when they find their party has no representation whatever from that province. I am happy to see the Minister of Public Works (Mr. Dubé) here tonight. One of the first things I want to talk about is the expropriation in connection with the Vancouver international airport which happens to be in Richmond, British Columbia, a part of my riding. About one year ago the minister said, as reported on page 1829 of *Hansard* for March 2:

I can assure the House that each owner will be dealt with compassionately and given the full benefit of the new Expropriations Act.

Today, a little more than a year later, there are still people in the area whose claims on the government have not been settled. With the cost of housing rising so fast across Canada, especially in British Columbia, there are people who cannot afford to go out and buy homes because the government has been dragging its feet when it comes to settling their claims. A further cause for concern arises in connection with the new bridge which is being constructed in connection with the airport. Everybody was very happy with the lay-out of the bridge some nine months ago. They were very pleased that a ramp was to be constructed leading into Richmond. Only in the last few weeks did we find out from the staff of the Department of Transport in Vancouver that a ramp which was to have led into Richmond via the Dinsmore bridge would not now be built. It had been cancelled on orders from Ottawa.

The people not only of Richmond but of Delta and Vancouver want to know the reason for this decision. That ramp would have assisted the people of Delta, Richmond and Vancouver by giving them speedy access to the city of Vancouver. One of the engineers of the Department of Transport, a Mr. Bruce Groves from Ottawa, is quoted at a meeting out west as saying that the ministry's top priority was to reserve the bridge for airport traffic and that commuters from the main part of Richmond would therefore be detoured to make it as inconvenient for them as possible. I submit, Mr. Speaker, that the government would not make it inconvenient for residents of central Canada if this issue was before them. A year ago, the government, in a letter to Mr. Charles Johnstone, a lawyer representing some of the people in the area—the letter is dated March 13—went into a lengthy explanation as to why the property involved with the ramp was being expropriated. The Minister said they had done so because that ramp was so necessary. The study, paid for by the federal government and carried out by N. N. Lee and Associates Limited—the title was the "Sea Island Highway Network"—recommended the construction of this ramp.

Now the government has changed its mind. The people in my riding want to know why. Right now they are signing a petition, and I can tell the government that before long 50,000 people will have signed this petition demanding that the ramp be reinstated. I hope it will be. I am sure that if we sit down with representatives of the government and talk some common sense, this ramp will go back.

Seventy-five homes are being rented by the government in the Cora Brown and MacDonald subdivisions of Sea Island. The people affected are supposed to be out of their homes by August, but now, because of studies being carried out, we know that construction will not go ahead on schedule. We are asking the government to allow the people who are renting these homes an extension of at least a year. I am sure the minister and the parliamentary secretary who has been so fair to us in the past will grant the people this extension. In the city of Vancouver right now there is a great shortage of housing, and the people who are renting these 75 homes do not have anywhere to go. I hope that some time this week I can sit down with the minister and his parliamentary secretary and discuss this issue so that we can solve the problem.

● (2050)

Another issue that has come up in the province of British Columbia—I am glad to see the Minister of Energy, Mines and Resources (Mr. Macdonald) in the chamber—is the energy crisis. The people of British Columbia do not believe there ever was an energy crisis. They believe there is a transportation crisis in this country and that the government just will not admit it. They wonder seriously why the people of British Columbia have just had to absorb a one-third increase in freight rates as well as a large increase in the price of freight for the soft fruit industry in British Columbia.

Why have they had to absorb these large freight rate increases when the people of eastern Canada are asking for equality of oil and gas prices? We have the resources in western Canada, a lot of them in British Columbia, and we are willing to share those resources with the people of eastern Canada. We also want them to help us out on freight rates. We think that this is only fair.

Another issue bothering the people in my riding is the Post Office service. We see some grand advertisements in the newspapers about how the Post Office offers this great one-day service: put your mail in by eleven o'clock and get it delivered the next day, say the advertisements. I see examples all the time where that just is not so. In fact, I asked the Minister of Consumer and Corporate Affairs (Mr. Gray) to investigate the Post Office for false advertising. The people of British Columbia do not know what is happening with their mail. It is not arriving on time. A municipality the size of Delta, with some 65,000 people, has just one post office and that is all. We asked the minister for another one, but the department is not even considering it. The post office in British Columbia is now jokingly called the "royal snail" because it seems to take a very long time to get mail from British Columbia to anywhere in Canada.

Unemployment insurance is another matter that has been bothering the people of British Columbia. As most hon. members who have a constituency office in British Columbia know, their secretaries are receiving about five phone calls a day citing problems with the Unemployment Insurance Commission. These problems are very legitimate. People who deserve to get their unemployment insurance are not receiving it because of some problem within the commission.

The Minister of the Environment (Mr. Davis) said in a speech in his riding about two months ago: "When we go back for the next session this government is going to bring in some strong laws to straighten out this problem". The minister in charge of the Unemployment Insurance Commission said that this was not true. Since then we have had the throne speech and it now appears the government is going to do something about the Unemployment Insurance Commission and manpower.

Why will not this government do what the Leader of the Official Opposition (Mr. Stanfield) asked, and hold a full inquiry into the Unemployment Insurance Commission so we can find out what is wrong before the government introduces some other program? People within the commission are working very hard at their jobs, but the government is going to disrupt their work with another program which probably will not work any better than the one it had in the past.

Regional economic expansion is another area that bothers the people of British Columbia. In the last election I said that we were not getting our fair share of money; the government said that we were. I put some questions on the order paper and found out that in 1972 the province of Quebec received $66 million. The province of British Columbia received only $650,000. This answer was given by the minister, so I presume the figures are factual. The people of British Columbia do not believe that this is giving them their fair share.

The year before that a company by the name of Evans Products opened a mill in Golden, B. C., and received a $2,250,000 grant. They employed 250 people, and everybody thought it was an excellent program. This past year the same type of mill was closed down in the city of Vancouver by Evans Products, which put 250 people out of work. I think this is one area the Department of Regional Economic Expansion should look into and make sure that such things as this do not happen. This is only one example that occurred in British Columbia, but all members of the House know of other examples that parallel this one.

Information Canada has also been an issue in the city of Vancouver. This government opened a beautiful office at the corner of Granville and Robson Streets. There was a bit of an uproar in the city when people found out that they paid $11.67 a square foot in the building they leased for both the first and second floors. After an investigation the people were told that other people were renting space in the same city block for between $2.50 and $5.50 a square foot on the second floor, and that $5.50 was the maximum price that anybody else paid. Yet, as I say, this government was paying $11.67. On the first floor in that block, people were paying anywhere from $6.50 to $11.50 a square foot.

The value of the building that the government leased was $550,000. When the government took a five-year lease from the firm that leased the building to them for $126,000 a year for the first year, building up to $156,000 for the fifth year, it increased the value of the building to over $1 million. I think the people of Canada deserve a better answer than the one the government has given them to date as to exactly why they paid so much money for this building, and who decided that the building would be leased instead of bought, since the building was for sale a few months before the government leased it.

I should like to touch for a moment on housing. This is a problem in my riding where there has been such a startling increase in population. The government says it has done a lot of things to help housing, but what are the things the government has not done? Firstly, it has not removed the sales tax on building materials. This adds to the cost of every home and apartment in this land. The government has eliminated tax incentives for investors in apartment buildings. As a result, apartment buildings are now 99.5 per cent full in Vancouver and just about equally full in other parts of the country.

The NDP government of British Columbia froze land development and automatically land prices skyrocketed. If the government would only let free enterprise build houses without government interference, there would be plenty of housing in Canada and prices would be reasonable. We have only seen a large increase in the price of housing during the last couple of years because the government has been interfering. I have a clipping advertising houses in Houston, Texas. A 1,700-square foot home there sells for $22,900. If houses at this price can be built down there, they can be built here in Canada. But the cost of housing in Canada has increased as a result of government interference at all levels. The federal government must take the biggest share of the blame because of its sales tax on building materials and its elimination of tax incentives for people who invest in housing.

I should now like to say a few words about penitentiaries. We have a large penitentiary situated in our area. I give the present minister a lot of credit for what he is doing in our penitentiaries, but I question some of his decisions, such as hiring three people with a Master's degree to go into the British Columbia penitentiary to work in the recreational area and looking for two more. They are not promoting the people who have been working in the penitentiary for years. They are not giving them the opportunity to take further education to increase their own abilities so they can get ahead in their jobs.

Why do we need five professional people in recreation in the British Columbia penitentiary, serving a population of 600 people, when the city of New Westminster and the city of Delta cannot afford to hire that many people? Why does this government not invest some money in the youth of the nation? Perhaps then we will not have so many people in our penitentiaries.

I should like to close, Mr. Speaker, by mentioning an issue that has been given prominence in our area. I refer to price fixing among seven major cement companies in British Columbia. These seven companies were accused of, and pleaded guilty to, conspiring to prevent or lessen competition and were fined a total of $433,000, the largest fine ever imposed under the Combines Investigation Act.

I think there are some questions that have to be asked about this matter. We must remember that Jimmy Sinclair, a former cabinet minister in the party of the government sitting across from us here, was president of Lafarge Cement, one of the seven companies. The late Frank Ross was chairman of the board of Lafarge Cement, and he also had a close relationship with one of those across the floor. We must also remember that when the charges were laid, the minister of justice at the time who was in charge of the investigation was quickly shifted from that portfolio to another. The present minister of housing and urban affairs was also shifted into his present portfolio pretty quickly from consumer affairs.

Why did these things happen, Mr. Speaker? I think that question needs to be answered by this government. Why did these companies plead guilty so quickly? Why did not some of them go to court and try and fight this charge? I think they are just trying to hide something and that this government should have an inquiry made into price fixing in British Columbia.

It is of interest to note that after these charges were made and these firms pleaded guilty, on January 1 of this year Ocean Cement and Lafarge Cement increased their prices again by the same amount. Then on March 1, Lafarge and Ocean Cement increased their prices yet again by the same amount. So these companies are still up to their same old tricks. They have paid the largest fine ever imposed in Canada. In view of the connection of these companies with members of the Liberal government across the way, I think the Canadian people deserve an inquiry into price fixing and that this government should hold this inquiry with the utmost haste.

● (2100)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, at the beginning of the present session of the 29th Legislature I owe to myself to participate in the debate on the Address in reply to the Speech from the Throne. First, I wish to congratulate the movers of the Address, the hon. members for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier). It is quite appropriate, in a democratic Parliament, when someone is making a first speech in the House, for his colleagues to congratulate him because they know from their own experience that it is a first step which will allow him later to express himself better and participate more easily in the debates.

Mr. Speaker, I also wish to join my colleagues to congratulate His Excellency the Governor General and Mrs. Léger and extend to them the best wishes of the people from the Bellechasse riding that I represent. I was pleased to see, with many others, the great humility with which the new Governor General has presided over the opening of this second session. I was very pleased to see that the Governor General chose to renounce the traditional dress and that he was really like everyone else, someone who holds his position with a great competency but also with a great humility.

I also wish to say to the Chair how pleased I am that we can continue our work under his humble guidance. I also wish to congratulate the Deputy Speaker and Chairman of Committees of the Whole House (Mr. McCleave), the Deputy Chairman of Committees of the Whole House (Mr. Laniel) and the Assistant Deputy Chairman of Committees of the Whole House (Mr. Boulanger): I wish them all a long and fruitful career in this House.

The first session of the 29th Parliament was quite productive, Mr. Speaker, since many bills furthering the respect of human and family rights were carried in spite of a minority government in the House which shows that even under a minority government, when we do our best, it is possible to provide for our country a more efficient administration that under a majority government. To be convinced, one has only to consider the 28th Parliament and note that a majority government, Mr. Speaker, was unable to increase family allowances. The amount of old age security pensions had also been increased by a ridiculous percentage, contrary to what happened since the beginning of the 29th Parliament. This shows that Canada, even under a majority government, can do more to provide security for the aged, but it nevertheless remains that thanks to the goodwill shown by all, it was possible to implement those material, physical and financial possibilities and ensure to old people a maximum of security.

Mr. Speaker, it is with satisfaction that Canadians see that this minority government is much more responsive to their demands. It is less arrogant and more inclined to accept in a democratic system the rules of a true democracy, those of a government of the people, by the people and for the people. Obviously, there is yet much to be done before it becomes reality because, Mr. Speaker, trusts, multinational corporations and financial powers still have a strong hold on the government through their contributions to the treasuries of traditional parties.

To be convinced, one only has to consider the goings-on in the oil, sugar and food industries controlled by big corporations.

Mr. Speaker, the Speech from the Throne is nothing but a conventional procedure still used in Parliament for it

does not always reflect the legislative measures that the government intends to have adopted by the House. Indeed, the throne speech of the first session of the 29th legislature announced many more radical measures than what was in fact introduced. On the other hand, Mr. Speaker, the throne speech of the second session of the 29th legislature promises very few measures that would solve the many problems facing the Canadian people, while it is highly possible that this Parliament will be presented numerous bills which have not been mentioned in the speech.

That is why, Mr. Speaker, I say that the Speech from the Throne is part of a parliamentary tradition that we respect, of course, but that we should modernize and adapt to modern times, to the present times, to this century.

So I make the wish that this session will be one of deep reform, particularly in the financial area, so we can finally make financially possible what is physically feasible, and the right hon. Prime Minister (Mr. Trudeau) gave an affirmative answer last week to my colleague for Champlain (Mr. Matte). I welcome this because formerly, not too many years ago, there was a denial of that suggestion, that possibility to make financially possible what was physically feasible by the people of this country.

However, Mr. Speaker, I accept less than I ever did the fact that a sovereign government, as should be that of Canada, should let its policies in all sectors of the economy of this country be dictated by those who have the privilege to control the economic blood of this nation, that is the real credit of this country, namely the privilege of minting the real credit of this nation which is produced by the over-all activity of its people.

Mr. Speaker, the activity of all those working in this country in any field or branch is the real credit of this country whereas the financial institutions to which I referred earlier are the banking institutions of this country which are governed by the Canadian Bank Act and now have the privilege to mint the credit of this nation, and that is why I say that in 1974 things should no longer happen that way.

We, in this Parliament, should give back to our government sovereignty in that field so it will act as a genuine manager, a genuine steering office, as is done in a co-operative, so that everyone may really benefit from the activities of the members of the Canadian society.

However, Mr. Speaker, I read in the throne speech the wish to submit a measure finally allowing the provinces to have and control a sort of provincial bank, as proposed by the former premiers of Alberta and British Columbia, the hon. Mr. Aberhart and Mr. Bennett. Last week, by the way, the Minister of Finance (Mr. Turner) admitted that this initiative or proposal had been initially taken or made by the former premier of British Columbia, and I do hope that the minister, who is now smiling at me, will continue to benefit from the experience of this politician who still can, although he retired from political life, render many great services to our nation.

I hope that measures to be brought in to this effect will not solely be make-believe ones but sound projects giving to provinces a useful tool which will enable them to financially help municipalities fulfill their task as governments closer to people, by providing for a city or a municipality the essential public services at a cost in line with its paying capacity and with reality.

I would also like, Mr. Speaker, to talk about the young unemployed, educated or not. It has become an acute problem in Canada, a problem in which all serious Canadians as well as any responsible government should be interested in order to bring in a solution before it is too late. This problem of unemployed youth is in my view narrowly related to the difficulties that are facing people from 60 to 65 who have also some serious troubles in seeking employment or still in earning an income giving them financial security until they are 65, when under the present legislation an old age security pension will be paid to them.

Mr. Speaker, the unemployment problem is disturbing since according to a document tabled at the Miscellaneous Estimates Committee following a sitting on November 22, 1973 by the Minister of Manpower and Immigration (Mr. Andras), 47 per cent of Canadian unemployed are aged 24 or less.

The main difficulty of young people in getting on the labour market is their lack of experience, and that is the traditional excuse that employers use in refusing a job to the young people who offer their services, either in the public or private sector.

Mr. Speaker, if more understanding is not shown to these young workers, the country will certainly pay for it. Indeed, instead of taking advantage of the energy of these young people to develop the country and make it more prosperous, we will have to give them a certain amount of security, otherwise we will bear the brunt of their dissatisfaction, and instead of enjoying the effects of their dedication, we will suffer the effects of their frustration instead of benefitting the effects of their devotion. Because of the experience we have acquired, it is our duty as adults to take the necessary steps so that our young may become assets in this country instead of liabilities, as it is much too often unfortunately the case within an economic system which disregards the contribution of the young. We are influenced against our will by a society which is profit-oriented instead of being service-oriented.

Mr. Speaker: Order, please. I must regretfully interrupt the hon. member, but his time has elapsed.

• (2110)

[*English*]

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, at the beginning of my few remarks I should like to congratulate the Prime Minister (Mr. Trudeau) on the appointment of our new Governor General, Mr. Léger. I wish Mr. Léger and Madame Léger godspeed and every good wish as they carry out their very important work on behalf of Canada. I think they are off to a good start. I am sure those of us who attended the ball Their Excellencies held at the opening of this session of parliament appreciated the very fine hospitality shown to us all. I should like to say that Madame Léger is very charming. She has a very difficult role as the wife of the Governor General. It is a very important role. She has that very fine attribute, a good memory. When I met Madame Léger the night of the ball, she told me that she had met me a couple of years ago

at a dinner held at the National Arts Centre. Her memory is a great attribute, and I believe she will carry out her duties very well.

I also wish to congratulate the mover and the seconder of the address in reply to the Speech from the Throne. I believe both members gave excellent addresses. They conducted themselves very well at the start of our debate on the Speech from the Throne. In 1968 I had the honour to second the address in reply to the Speech from the Throne, and my colleague the hon. member for Madawaska-Victoria (Mr. Corbin) was the mover. This is an important honour that is given to members. I know that my constituents of Kamloops-Cariboo at that time very warmly received my nomination by the Prime Minister. I am sure the constituents of these hon. members also appreciate the honour bestowed upon their members.

I am very happy about a number of very important things contained in the Speech from the Throne. Some of the matters worth mentioning have started to unfold. I refer in particular to the legislation in respect of native housing. Mention of this appeared in the Speech from the Throne and later the Minister of State for Urban Affairs (Mr. Basford) announced a very important policy regarding native housing. A number of ingredients contained in this announcement are very important.

First of all, it met almost verbatim the representation made to the government by the Native Council of Canada. The Metis, the native people not under the Indian Act, I believe for a long time have been left out of society. I do not think provincial governments by and large have done a very good job on behalf of the Metis people. These people have come under provincial jurisdiction, and by and large they have been left out of society. In addition, society has tended to leave out the non-treaty Indian people. I think this announcement by the minister is probably one of the most significant statements in respect of housing or any othe matter to be made in a long time by the national or any other government on behalf of the Metis people in this country.

I hope that as progress is made down the road to implementation of this policy the native groups will be consulted more and more and will be used a great deal more in the implementation of the policy. When the announcement was made, I believe it was very warmly received by the president of the Native Council of Canada, Mr. Tony Belcourt. Very often when announcements are made, the native people are skeptical, but that was not the case this time. They said that maybe they were entering a new era.

● (2120)

All too often there is confrontation between native groups and the government, and this is not the way to proceed. There must be consultation between them and understanding, and policies worked out and implemented. I welcome this decision by the minister. I think it is farsighted, and I hope that the provincial governments which have been responsible over the years for the Metis people and the non-status Indians will respond in a very positive manner to the minister's call to them to meet the other part of the policy. If they cannot, then I suppose the minister will perhaps have to look at it again. However, in all sincerity I call upon the provincial governments throughout the country to respond positively to the needs of the Metis people and the Indians.

I think there is the highest concentration of Metis in the prairie provinces. I believe the province of Alberta has been trying very hard to respond in positive ways to meet the needs of the Metis and Indians. It is a rich province and there is no reason in the world why they cannot respond positively to the lead that has been given by the Minister of State for Urban Affairs. We find that Saskatchewan has by and large been pretty responsive, but the policies of Saskatchewan and Manitoba have not been sufficiently far reaching so far as the Metis and the Indians are concerned. I think that with this policy we are entering a new era of responsiveness to the needs of the native people and I hope we can really do something with the new housing policy announced by the Minister of State for Urban Affairs.

I want to join a number of my colleagues who have spoken about the needs of Canadian cattlemen. I represent a constituency that has quite a large cattle population. I suppose the cattle population of British Columbia numbers up to half a million in peak periods. In my own riding it is perhaps up to 100,000. It is probably one of the constituencies with the highest cattle population in British Columbia.

Mr. Nielsen: That's lot of bull.

Mr. Marchand (Kamloops-Cariboo): I should say that a good bull sale is going on in Kamloops tonight. It is one of the best shows. Kamloops is the centre of the cattle industry in B.C. and we are proud of it. It means that $37 million to $40 million a year passes through the city of Kamloops from the cattle industry, which is pretty important. The cattlemen of Canada, and the cattlemen of B.C. in particular, have had a pretty tough time. I hope that the Minister of Agriculture (Mr. Whelan), together with his colleague the Minister of Finance (Mr. Turner) who is here tonight—

An hon. Member: He doesn't care.

Mr. Marchand (Kamloops-Cariboo): —and the Minister of Industry, Trade and Commerce (Mr. Gillespie), have taken note of the real needs of cattlemen. Their needs are quite acute at this time, and I hope the government will see fit to impose a positive program of tariffs so that the situation of Canadian cattlemen will not be jeopardized any further. I know that the Minister of Agriculture has been responding in a positive way, since he became minister, to the needs of cattlemen and I believe that he will come through again.

I want to say a few words about the cattlemen in my own riding and cattlemen in British Columbia and expand upon why they have had such a difficult time. The winter of 1972 was a very difficult one. As a result, the hay crops were frozen out and a number of ranchers in the interior of B.C. had no hay last summer. Also, the dairy farmers found themselves short of hay because of the severe winter. The crops were frozen out and they did not have time to reseed. This was coupled with a very dry summer in the interior of B.C. The dairy farmers and ranchers in British Columbia were paying up to $110 a ton for hay this

winter. That has hit them very hard. I spoke to a number of the producers who were having to sell their herds. This is one of the worst things that they can do at a time of inflation; it means that in time the supply will not be there because many of the producers have sold their herds due to the severe shortage of hay.

In the few minutes that I have left I would like to touch upon another matter that has very much concerned the residents of Kamloops. A week or so ago CRTC, which is an independent commission, rendered a decision for the provision of cablevision to Kamloops. One might say that we should have been happy, but most of the people were not very happy with that decision. Many of them felt they were being treated as second-class citizens. The decision provided that the cablevision company could provide only one commercial non-Canadian channel. You can go up a little way to Merritt, 60 miles from Kamloops, and find that there they have access to all three commercial non-Canadian channels. If you go to Penticton, Kelowna, Cranbrook or Kimberley you will find that these places, all of which are not very far from Kamloops, have access to all the American networks. In Vancouver they have access to all the channels. But the CRTC in its wisdom decided that Kamloops could have only one commercial American channel. The people of Kamloops feel very strongly about this decision. They feel it is the wrong policy and the wrong decision.

Some hon. Members: Hear, hear!

Mr. Marchand (Kamloops-Cariboo): Why should they be treated any differently from the people who are in Kelowna, Penticton, Merritt and Vancouver? If big, bad American television is not good for us, then it should not be any good for the people on the coast either.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I will commence by extending the traditional compliment to the mover and the seconder of the address in reply to Speech from the Throne, the hon. member for Spadina (Mr. Stollery) and the hon. member for Sherbrooke (Mr. Pelletier). However, I will not follow the usual tradition of speaking this evening about matters affecting particular concerns in my constituency, although I have good cause for doing so particularly since in this session we have embarked upon a study of legislation affecting our two northern ridings, Yukon and the Northwest Territories, which is rather important to the people of those territories. I could speak about the bill introduced by the Minister of Indian Affairs and Northern Development (Mr. Chrétien) today which will bring about what he is going to characterize as certain large steps forward, but there will be an opportunity to debate these matters later.

● (2130)

I was somewhat surprised today at the reluctance of the President of the Privy Council (Mr. MacEachen) to go ahead with the introduction of the bill to amend the British North America Act 1867-1965 in order to provide two more seats in the other place which undoubtedly are to be occupied by one appointee from the Yukon and one from the Northwest Territories. This would be in keeping with the recommendation of the joint committee of the House and the other place on the constitution which held hearings all over the country a few years ago. I am glad to see that legislation coming forward. I think members will find it to be almost verbatim with a bill that has been standing on the order paper in my name for a good many years.

Rather than deal with those matters concerning the ridings of Yukon and the Northwest Territories, as opportunities will be provided in the future to speak about them, I want to speak about something that is nearer to the hearts of all Canadians. That is inflation, taxes and the ever increasing cost of living in the country and the part the government is playing in contributing to the absolutely uncontrollable situation that confronts us today.

It is a fact that in the years 1968-69 to 1974-75 the percentage increase in the main estimates is 103.5 per cent. They went from $7,170.3 million in 1964-65 to $22,022.9 million in 1974-75. I am happy to see the President of the Treasury Board (Mr. Drury) and the Minister of Finance (Mr. Turner) in their places tonight because some of these figures perhaps have not been presented to them before in this fashion. One might call them Peter and Paul. The lid is off; the Minister of Finance obviously cannot control the spending of his colleagues, and the President of the Treasury Board is obviously unable to bring his influence to bear.

In the last year, 1973-74 to 1974-75, the increase in the main estimates was 9.7 per cent. One of the greatest areas of wasteful government spending is in departmental information services. We all recall that when Information Canada was set up it was supposed to do away with the information services hitherto provided in each of the departments. It was supposed to be a central place where information would be available to all Canadians. Now we see that the public relations offices in the departments have not been diminished at all but have been increasing. Even after the advent of Information Canada in 1970 there has been a multiplication of costs rather than a reduction.

The latest statistics of February, 1974, reveal that there were 747 publicists on the federal government payroll, with 378 openings, for a total staff of 1,125. The number of government-owned buildings in the national capital region alone is over 600, and buildings leased by the government either in whole or in part stand at over 150. The value of the annual leases has jumped 50 per cent to $29 million in the last five years.

A return which was tabled to a written question revealed that in the fiscal year 1970-71, the total—and here are some statistics: I saw the Minister of Finance smiling a moment ago but perhaps these might be drawn to the attention of his colleagues because they are rather embarrassing—entertainment bill for the year 1970-71 for government departments and agencies, including the Prime Minister's office, amounted to $1,892,194.

The breakdown for travelling expenses in the same year was very interesting. In 1970-71, travelling expenses for all departments, including the Prime Minister's office but excluding the agencies of the Crown, which are plethoric—to hit a few of the highlights—were, Department of the Environment, $7,201,886.15. One might ask where they went. The Department of National Health and Welfare, just for travelling, spent $3,987,377. That department is very active in the entertainment field and spent $49,050.

The Department of Transport, which one would think could get around less expensively, spent $6,970,189; and the Postmaster General, whose department has one of the greatest deficits in government, spent $3,004,970.23. In entertainment, the Department of the Environment spent $55,716.83. Sir, spending in this government is entirely out of control.

Mr. Baldwin: How about that $20 billion farce—the budget?

Mr. Nielsen: Yes, and one might ask about the $8,000 cabinet meeting held last year. Rather than choosing one of two more than adequate cabinet rooms on parliament hill or one of the Prime Minister's establishments, the Prime Minister decided to hold a one-day cabinet meeting at the O'Brien estate, an NCC property. It took the NCC two weeks and between $6,000 and $8,000 to put the house in shape. These expenses did not include the cost of trucking furniture from the Conference Centre, security men, the luncheon caterer, cars to transport the ministers to and from the meeting, or the time of the Privy Council staff dispatched to provide wood for the three fireplaces.

I should like to go into another area of uncontrollable inflation, Mr. Speaker, namely, government growth. In 1969, when the Prime Minister (Mr. Trudeau) pledged to freeze expansion of government personnel, the size of the public service was 230,000 excluding commissions, corporations, the armed forces and contract employees. Since then the public service has increased by over 57,000. In the Toronto area alone the increase was from 18,450 in 1971 to over 20,000 in 1972; in the Ottawa-Hull area from 66,000 in 1971 to 75,000 in 1974, and in the Montreal area from 23,400 in 1971 to 25,400 in 1972.

There was a constant barrage of criticism of the government for these uncontrollable increases. If put in terms of a monthly increase, it becomes more staggering. Who in his right mind would say that it is reasonable to expect growth in the civil service of this country of some 1,300 per month?

An hon. Member: Drury.

Mr. Nielsen: I suppose the President of the Treasury Board and the Minister of Finance think that is a normal growth rate.

Mr. Drury: It is research staff for the Tories.

Mr. Nielsen: Let me speak now about ministerial absences. We are faced with the highest inflation rate, the highest tax rate and the highest cost of living in the history of the country. The government called for an extended Christmas recess, ostensibly for the purpose of working out a legislative program which would meet these crucial problems. Then we found in the last week of February that the only minister of the Crown in Ottawa to be dignified with the rank of acting prime minister was the nineteenth ranking member of the cabinet, the Minister of Consumer and Corporate Affairs (Mr. Gray). He was the only one who could be found. What a way to guide a country!

[Mr. Nielsen.]

• (2240)

This happened when most of his colleagues were enjoying the sun in southern retreats and the Prime Minister was skiing in St. Moritz. I do not suggest that ministers should be begrudged holidays, not at all; but it is a bit much, when both unemployment and inflation are on the rise, that the only minister who can be found at his desk in Ottawa is the nineteenth ranking member of the cabinet, the Minister of Consumer and Corporate Affairs.

Mr. Turner (Ottawa-Carleton): Where were you?

Mr. Nielsen: I was working in the Yukon, not sunning myself and getting lovely and brown as the Minister of Finance did.

Mr. Turner (Ottawa-Carleton): You have to pick up your mail sometimes, Erik.

Mr. Nielsen: As Mr. W. A. Wilson said in the Montreal *Star*, referring to the energy conference of last January 22 and 23:

Conferences that fail, broadcast the lack of preparation that went into them. The rush from the failed conference to the ski slopes and the beaches suggests strange orders of priorities.

There we see one reason for the uncontrollable situation which we face. Government members are simply not doing their jobs. Would not the cabinet have been better advised spending their recess in preparing legislation to get at the roots of the major problem facing Canada today, unemployment and inflation, rather than vacationing or spending their time attending foreign conferences which should be given a much lower priority?

Sir, I do not have time to put the rest of these disgusting statistics on record. All I can say is that the sooner the government leaves the treasury benches opposite, the sooner there will be some sanity in this country.

[*Translation*]

Mr. Speaker: Order, please. As it is 9.45 p.m., it is my duty, pursuant to Standing Order 38(5), to interrupt the proceedings and forthwith put every question necessary to dispose of the main motion.

[*English*]

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

Mr. Nielsen: On division.

Motion (Mr. Stollery) agreed to.

Hon. C. M. Drury (President of the Treasury Board) moved:

That the said address be engrossed and presented to His Excellency the Governor General by Mr. Speaker.

Motion agreed to.

* * *

SUPPLY

Hon. C. M. Drury (President of the Privy Council): Mr. Speaker, I move, in accordance with Standing Order 58:

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

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. McKinley: Mr. Speaker, I know that tomorrow has been set aside as an allotted day for the opposition. Is someone on the government benches opposite able to say what we will be considering on Wednesday?

Mr. Reid: Mr. Speaker, it is my understanding that the House leaders will be meeting again on Wednesday.

At 9.46 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, March 12, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

NATIONAL SECURITY

TABLING OF REPORT ON CONTROL OF CRISES

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, pursuant to Standing Order 41(2), I should like to table a copy of a report prepared by General M. R. Dare, concerning the control of crises.

* * *

[*English*]

AIR CANADA

STATUS OF CERTAIN FEMALE EMPLOYEES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, under the provisions of Standing Order 43 I wish to present a motion of urgent and pressing necessity. It arises from the fact that women who work for Air Canada are faced by a "male only" policy which prevents them from becoming pursers, even though in some circumstances they may be called upon to perform as acting pursers with none of the better pay, status and working conditions attached to the position of purser. In view of this unjustifiable discrimination I move, seconded by the hon. member for Surrey-White Rock (Mr. Mather):

That this House direct the Minister of Labour, who has responsibility for the status of women, to introduce immediately the legislation creating a Federal Commission on Human Rights and Interests which was promised in the Speech from the Throne as the means of protecting women from discrimination.

Mr. Speaker: This motion is presented to the House under the terms of Standing Order 43. It requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

[*Translation*]

AGRICULTURE

SHORTAGE OF FERTILIZER IN EASTERN CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 to ask the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

In view of the fact that it will soon be sowing time and in view of the shortage and skyrocketing price of artificial fertilizers in eastern Canada, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the government seriously consider asking the Canadian Transport Commission and the potash and artificial fertilizer producers to take action in order that eastern farmers can obtain sufficient supplies of this necessary product to maintain their farming production.

Mr. Speaker: The House has heard the motion of the hon. member. According to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

* * *

HOUSING

SALES TAX ON BUILDING MATERIALS—INTEREST RATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the terms of Standing Order 43, I ask the unanimous consent of the House to consider immediately an urgent matter.

In view of the fact that the 11 per cent sales tax on building materials and the high mortgage interest rates underlie the prohibitive costs of construction, especially for people earning less than $10,000 a year, or about 30 per cent of the population, it is urgent that this government introduce legislation to eradicate once and for all poverty, unemployment and inflation. I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House take immediate action to remove the 11 per cent sales tax and reduce the interest rate to 3 per cent.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; the motion, therefore, cannot be put.

* * *

COMBINES

MEASURES TO CONTROL MONOPOLIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to discuss a matter of very urgent necessity.

Considering the cost of living increase and the control exercised by some individuals on several sectors of the market, and considering also that control appears as a real spreading monopoly, I move, seconded by the hon. member for Richmond (Mr. Rondeau):

That the matter be immediately deferred to this House in order to prevent, through specific regulations, monopolies from altering the play of free competition and contributing to destroy Canadian private enterprise within a relatively short time.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING INTRODUCTION OF PUBLIC BILLS AND NUMBERING THEREOF

On the order: Introduction of Bills.

Mr. Speaker: On today's order paper some 163 bills in the names of private members are standing for introduction and first reading at this sitting. The House will recall that for several years it has been the practice to introduce and give first reading in a group to all such bills by unanimous consent. I assume that today the House will be willing to follow what may be termed as the usual practice in regard to these bills.

In a preliminary way, it must be said that there is some concern in the mind of the Chair concerning a number of the bills standing for introduction. By way of example, the very first bill standing for consideration by the House is one in the name of the hon. member for Hamilton West. This bill came forward last year in the very same terms as it appears today for consideration of the House. At that time it was ruled out of order after considerable procedural consideration by hon. members. I mention this bill because it is No. 1 on the order paper and the hon. member for Hamilton West may wish to give the matter some thought in the meantime. I considered that in fairness to him this should be mentioned. It may be that any further comments in that regard or with regard to other bills should be deferred until the occasion upon which these bills are first taken up during private members' hour.

[Mr. Speaker.]

● (1410)

In addition, it might be said that some difficulty has arisen in recent years with regard to the grouping of private members' bills with government bills. In order to facilitate the filing and reference to each class of bill it is proposed in future to begin the numbering of private members' bills at C-101. The traditional pro forma bill will continue to bear the number C-1. Government bills will then begin at C-2 and continue for the first 100 numbers. It is thought that all government bills to be introduced in this session can be accommodated within that range of numbers.

May I ask, then, whether there is unanimous consent that all public bills listed on today's order paper in the names of private members for introduction be deemed to have been introduced, given first reading, ordered to be printed and to stand for second reading at the next sitting of the House subject, of course, to subsequent examination as to regularity of each bill. Is the procedure to which I have referred agreed to?

Some hon. Members: Agreed.

* * *

PUBLIC BILLS

FIRST READINGS

Bill C-101, to amend the National Housing Act (municipal water and soil pollution projects)—Mr. Alexander.

Bill C-102, to provide for the establishment of Rural Airport Development Advisory Committees—Mr. Howard.

Bill C-103, respecting the guarantee of supply of parts for motor vehicles and farm implements imported into Canada or sent or conveyed from one province to another—Mr. Nesdoly.

Bill C-104, to amend the Canada Labour Code—Mr. Oberle.

Bill C-105, to amend the Canada Elections Act (leave of absence)—Mr. Stackhouse.

Bill C-106, to establish the Office of Ombudsman—Mr. Reid.

Bill C-107, to amend the Canada Elections Act—Mr. Clark (Rocky Mountain).

Bill C-108, to amend the Canada Pension Plan (housewives' contributions and benefits)—Mr. Saltsman.

Bill C-109, to provide for the constitution of a Federal Transport Commission of Inquiry (impartial investigation of transport accidents)—Mr. Forrestall.

Bill C-110, to amend the Canadian Citizenship Act (natural born Canadian citizen)—Mr. MacInnis.

Bill C-111, to amend the Canada Elections Act (permanent voters list)—Mr. Fleming.

Bill C-112, to amend the Broadcasting Act (advertising on children's programs)—Mr. McGrath.

Bill C-113, to amend the Criminal Code—Mr. Stewart (Cochrane).

Bill C-114, to amend the Broadcasting Act (equal time to opposition parties)—Mr. Orlikow.

Bill C-115, respecting the control of lobbying—Mr. Mather.

Bill C-116, respecting National Youth Appreciation Week—Mr. Reynolds.

Bill C-117, to amend the Criminal Records Act—Mr. Rynard.

Bill C-118, to amend the British North America Act, 1867 (abolition of the Senate)—Mr. Knowles (Winnipeg North Centre).

Bill C-119, respecting Crown corporations (not agents of Her Majesty—Mr. Fortin.

Bill C-120, to amend the Territorial Sea and Fishing Zones Act—Mr. Leggatt.

Bill C-121, to amend the Electoral Boundaries Readjustment Act—Mr. Lambert (Edmonton West).

Bill C-122, to amend the British North America Act, 1867 (National Capital of Canada)—Mr. Isabelle.

Bill C-123, to amend the Criminal Code—Mr. Stevens.

Bill C-124, to amend the Canadian Citizenship Act—Mr. Andre.

Bill C-125, to amend the Railway Act—Mr. Hales.

Bill C-126, to amend the Fisheries Act—Mr. Barnett.

Bill C-127, to amend the National Housing Act—Mr. Carter.

Bill C-128, to amend the Canada Pension Plan—Mr. Coates.

Bill C-129, respecting trafficking in exotic pets—Mr. Watson.

Bill C-130, to amend the Old Age Security Act—Mr. Whittaker.

Bill C-131, to amend the Canadian Citizenship Act (minimum residence requirement—Mr. Prud'homme.

Bill C-132, respecting National Hire the Handicapped Week—Mr. Atkey.

Bill C-133, to amend the Canada Elections Act (form of ballot)—Mr. Rowland.

Bill C-134, to provide for the protection of domestic animals while in transit—Mr. O'Sullivan.

Bill C-135, respecting increased representation for the Northwest Territories—Mr. Firth.

Bill C-136, to amend the Canada Shipping Act (coasting trade)—Mr. Neale (Vancouver East).

Bill C-137, to amend the Railway Act (deviations, changes and removal)—Mr. Knight.

Bill C-138, to amend the Broadcasting Act—Mr. McKenzie.

Bill C-139, to amend the Pension Benefits Standards Act—Mr. Guay (St. Boniface).

Public Bills

Bill C-140, to establish the National Noise Control Code—Mr. Grier.

Bill C-141, respecting the importation of dangerous animals—Mr. Stackhouse.

Bill C-142, to amend the National Housing Act—Mr. Fleming.

Bill C-143, respecting noise in factories—Mr. Mather.

Bill C-144, to designate Major's Hill Park—Mr. Stewart (Cochrane).

Bill C-145, to amend the Canada Elections Act (a form of absentee balloting)—Mr. Howard.

Bill C-146, respecting employment with the Government of Canada not covered by the Public Service Employment Act—Mr. Orlikow.

Bill C-147, to amend the Canada Labour (age or sex discrimination)—Mr. Forrestall.

Bill C-148, to amend the Canada Pension Plan—Mr. Saltsman.

Bill C-149, respecting the labelling of hazardous household products—Mr. Mather.

Bill C-150, to provide for the establishment of the Alaska-Yukon Highway Authority (Alaska Highway)—Mr. Reynolds.

Bill C-151, to establish the Office of Parliamentary Commissioner—Mr. Reynolds.

Bill C-152, to amend the British North America Act, 1867 to 1965, with respect to the quorum of the House of Commons—Mr. Knowles (Winnipeg North Centre).

Bill C-153, respecting the designation of the Speaker of the House of Commons as the Member for the Electoral District of Parliament Hill—Mr. Knowles (Winnipeg North Centre).

Bill C-154, to amend the Income Tax Act (section 239)—Mr. Lambert (Edmonton West).

Bill C-155, respecting the continental shelf—Mr. McGrath.

Bill C-156, to amend the Canada Elections Act (publication of the result of opinion polls)—Mr. Coates.

Bill C-157, respecting Indian Lands in the Province of British Columbia—Mr. Howard.

Bill C-158, respecting the disclosure of financial interests by Senators, Members of the House of Commons and certain other persons—Mr. Knowles (Winnipeg North Centre).

Bill C-159, respecting the international airport at Ottawa—Mr. Isabelle.

Bill C-160, to amend the Department of Consumer and Corporate Affairs Act—Mr. Mather.

Bill C-161, to amend the Unemployment Insurance Act, 1971—Mr. Oberle.

Bill C-162, to amend the Criminal Code (preventive detention)—Mr. Orlikow.

Bill C-163, to amend the Canada Evidence Act (incriminating statements)—Mr. Orlikow.

Bill C-164, to amend the Food and Drugs Act—Mr. Mather.

Public Bills

Bill C-165, to amend the Canada Labour Code—Mr. Barnett.

Bill C-166, to amend the Canada Labour Code (increased minimum hourly wage)—Mr. Knowles (Winnipeg North Centre).

Bill C-167, to amend the Criminal Code (harassing telephone communications)—Mr. Mather.

Bill C-168, to amend the Financial Administration Act (Parliamentary Commissioner for Administration)—Mr. Reynolds.

Bill C-169, to establish a universal emergency telephone number—Mr. Mather.

Bill C-170, to amend the Territorial Sea and Fishing Zones Act—Mr. Neale (Vancouver East).

Bill C-171, to amend the Arctic Waters Pollution Prevention Act—Mr. Howard.

Bill C-172, to amend the Narcotic Control Act—Mr. Reynolds.

Bill C-173, to amend the Canadian Citizenship Act (equal residence requirements accorded alien spouses of Canadians)—Mrs. MacInnis (Vancouver Kingsway).

Bill C-174, respecting a proposed association between Canada and the Caribbean Turks and Caicos Islands—Mr. Saltsman.

Bill C-175, to amend the Department of Justice Act (annual report)—Mr. Fortin.

Bill C-176, to amend the Territorial Sea and Fishing Zones Act—Mr. Barnett.

Bill C-177, respecting a passport issued to a woman who is married—Mrs. MacInnis (Vancouver Kingsway).

Bill C-178, to amend the Old Age Security Act—Mr. Reynolds.

Bill C-179, to amend the Immigration Act—Mr. Benjamin.

Bill C-180, to amend the National Transportation Act—Mr. Knight.

Bill C-181, to amend the Bank Act (regulation of excess of loan interest rate over rate of interest on debts payable by bank)—Mr. Saltsman.

Bill C-182, to amend the Canada Elections Act (form of ballot)—Mr. Howard.

Bill C-183, to amend the Textile Labelling Act (prohibitions and labels)—Mrs. MacInnis (Vancouver Kingsway).

Bill C-184, to amend the Public Service Staff Relations Act—Mr. Orlikow.

Bill C-185, to better assure the public's rights to freedom of access to public documents and information about government administration (administrative disclosure)—Mr. Mather.

Bill C-186, to amend the Criminal Code (tire safety)—Mr. Mather.

Bill C-187, to amend the Unemployment Insurance Act—Mr. Thomas (Moncton).

Bill C-188, to provide for the establishment of the Alaska-Yukon Highway Authority (Alaska Highway)—Mr. Oberle.

[Mr. Speaker.]

Bill C-189, respecting the protection of records of Canadian business concerns—Mr. Mather.

Bill C-190, to amend the Territorial Sea and Fishing Zones Act—Mr. Douglas.

Bill C-191, to regulate Trade and Commerce—Mr. Saltsman.

Bill C-192, to amend the Criminal Code—Mr. Woolliams.

Bill C-193, to amend the Railway Act—Mr. Schumacher.

Bill C-194, to amend the Small Businesses Loans Act—Mr. Howard.

Bill C-195, to amend the Combines Investigation Act—Mr. Howard.

Bill C-196, respecting disclosure of credit rating records—Mr. McGrath.

Bill C-197, to amend the Fisheries Improvement Loans Act—Mr. Howard.

Bill C-198, to amend the Territorial Sea and Fishing Zones Act—Mr. Howard.

Bill C-199, to amend the British North America Acts, 1867 to 1965 (Yukon and Northwest Territories Senate representation)—Mr. Nielsen.

Bill C-200, to amend the Inquiries Act (publication of reports)—Mr. Alexander.

Bill C-201, to amend the Senate and House of Commons Act—Mr. Stewart (Cochrane).

Bill C-202, to amend the Territorial Sea and Fishing Zones Act—Mr. Olaussen.

Bill C-203, respecting the Central Mortgage and Housing Corporation Act—Mr. Fleming.

Bill C-204, to amend the Canadian Citizenship Act (time off without loss of pay for appearance in Citizenship Court)—Mr. Knowles (Winnipeg North Centre).

Bill C-205, to amend the Narcotic Control Act—Mr. Poulin.

Bill C-206, to amend the Motor Vehicle Safety Act (farm tractors)—Mr. Rowland.

Bill C-207, to amend the Criminal Code (cruelty to animals)—Mr. Mather.

Bill C-208, to amend the Criminal Code—Mr. Stackhouse.

Bill C-209, to amend the Criminal Code (young offenders)—Mr. Woolliams.

Bill C-210, respecting packaged perishable food—Mr. Mather.

Bill C-211, respecting confidential information contained in data banks—Mr. Knight.

Bill C-212, to amend the Criminal Code—Mr. Blenkarn.

Bill C-213, to amend the Motor Vehicle Safety Act (seat belts)—Mr. Mather.

Bill C-214, to amend the Bank of Canada Act—Mr. Caouette (Témiscamingue).

Bill C-215, to amend the Navigable Waters Protection Act—Mr. Barnett.

Bill C-216, to amend the Immigration Act (mental retardation)—Mr. Mather.

Bill C-217, respecting the sale of firecrackers to minors—Mr. Stackhouse.

Bill C-218, respecting excavations in Indian and Inuit burial grounds—Mr. Harney.

Bill C-219, to amend the Criminal Code (obliteration of motor vehicle serial numbers)—Mr. Mather.

Bill C-220, to amend the Identification of Criminals Act—Mr. Blais.

Bill C-221, to amend the Canadian Citizenship Act—Mr. Jarvis.

Bill C-222, to amend the Electoral Boundaries Readjustment Act (rules)—Mr. Reid.

Bill C-223, to amend the Canadian Bill of Rights—Mr. Stevens.

Bill C-224, to amend the British North America Act, 1867 to 1965 (duration of House of Commons)—Mr. Rowland.

Bill C-225, to amend the Veterans' Land Act—Mr. Marshall.

Bill C-226, to amend the Farm Improvement Loans Act—Mr. Howard.

Bill C-227, to amend the Farmers' Creditors Arrangement Act—Mr. Baldwin.

Bill C-228, to provide for the prohibition of the killing of polar bears in Canada—Mr. Reynolds.

Bill C-229, to amend the Canada Labour Code (three weeks annual vacation after three years)—Mr. Knowles (Winnipeg North Centre).

Bill C-230, to amend the Supreme Court Act (private citizen's reference)—Mr. Morgan.

Bill C-231, to provide for a national plebiscite on the removal of the abortion provisions from the Criminal Code of Canada—Mr. Reynolds.

Bill C-232, to amend the Department of the Environment Act (fisheries)—Mr. McGrath.

Bill C-233, respecting boating safety—Mr. Mather.

Bill C-234, to amend the Public Service Employment Act (age discrimination)—Mr. Forrestall.

Bill C-235, to restrain the use of tobacco—Mr. Mather.

Bill C-236, to amend the Department of Manpower and Immigration Act (handicapped persons)—Mr. Atkey.

Bill C-237, to amend the National Energy Board Act—Mr. Andre.

Bill C-238, representing the presence of the flags of Canada in both Houses of Parliament—Mr. Schumacher.

Bill C-239, respecting Sir John A. Macdonald Day—Mr. Macquarrie.

Bill C-240, to amend the British North America Acts, 1867 to 1965 (duration of House of Commons)—Mrs. MacInnis (Vancouver Kingsway).

Bill C-241, to amend the Territorial Sea and Fishing Zones Act—Mr. Nelson.

Bill C-242, to provide for a national emblem for Canada—Mr. Darling.

Bill C-243, to amend the Canada Elections Act (proxy voting)—Mr. Horner (Crowfoot).

Export Development Act

Bill C-244, to amend the Criminal Code (abortion)—Mrs. MacInnis (Vancouver Kingsway).

Bill C-245, to amend the Post Office Act—Mr. Clarke (Vancouver Quadra):

Bill C-246, to provide for a national plebiscite on the abolition of capital punishment—Mr. Reynolds.

Bill C-247, to establish a Newfoundland Crossing Authority—Mr. Marshall.

Bill C-248, respecting relief to non-smokers in transit—Mr. Mather.

Bill C-249, to amend the Indian Act (voting age)—Mr. Foster.

Bill C-250, to amend the Canada Elections Act—Mr. Nesdoly.

Bill C-251, to amend the Criminal Code (cautionary label on alcoholic beverage container)—Mr. Mather.

Bill C-252, to amend the Criminal Code (penalty for cattle rustling)—Mr. Marchand (Kamloops-Cariboo).

Bill C-253, to amend the Canadian Citizenship Act—Mr. Fairweather.

Bill C-254, to amend the Harbour Commissions Act—Mr. Reynolds.

Bill C-255, to amend the Broadcasting Act—Mr. Mather.

Bill C-256, to amend the Criminal Code—Mr. Cafik.

Bill C-257, to amend the Small Loans Act—Mr. Rowland.

Bill C-258, respecting the right of the public to information concerning the public business—Mr. Baldwin.

Bill C-259, to amend the Canada Labour Code (provision for ten general holidays with pay)—Mr. Knowles (Winnipeg North Centre).

Bill C-260, to amend the Criminal Code—Mr. Ellis.

Bill C-261, to amend the Criminal Records Act—Mr. Reynolds.

Bill C-262, to establish the National Urban Transportation Authority—Mr. Stevens.

Bill C-263, to amend the Indian Act—Mrs. Morin.

* * *

EXPORT DEVELOPMENT ACT

AMENDMENTS RESPECTING SHARE CAPITAL, BORROWING, POTENTIAL LIABILITY, ETC.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved for leave to introduce Bill C-10, to amend the Export Development Act.

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

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

PROPORTION OF EXPORT TAX PAYABLE TO OIL PRODUCING PROVINCES—APPLICATION OF EQUALIZATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I had a question for the Minister fo Consumer and Corporate Affairs but perhaps he will be here a little later. In the meantime I should like to direct a question to the Minister of Finance relating to the statement by the Prime Minister last week that the present position of the government is that funds that the oil producing provinces may receive from the federal export tax are not subject to equalization. I should like to ask the Minister of Finance whether, in these circumstances, he has any explanation for his assertion at the time the export tax or charge was debated in the House that these funds were subject to equalization and that, in fact, for the months of October, November, December and January some $25 million would have to be found by the federal government to equalize the portion of the export tax received by the producing provinces?

Hon. John N. Turner (Minister of Finance): My statement has to be taken in context, on the assumption that if equalization were due as a share of export tax revenues, then, of course, it would be paid. I have been advised by counsel that a share of revenues under the export tax is not subject to equalization under the statute and regulations.

Mr. Stanfield: Mr. Speaker, I must say the minister disappoints me. May I remind him that the statement he made in the House was not subject to any such qualification but was stated as the position of the government. May I ask the minister, without going beyond the bonds of decorum, why he said to me in the course of discussions relating to the charge for the months of February and March, and in seeking unanimous consent, that these payments would be subject to equalization?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I cannot explain any further than I already have. I have been advised that, under the law and regulations as they now stand, any sharing or division under the Export Tax Act is not subject to equalization.

Mr. Stanfield: Will the Minister of Finance then agree that the statements he made in the course of debate in the House as to the position of the government and the statements he made to me in the course of seeking unanimous consent for the change required to enable the House to deal with the export charge in the manner in which he wanted were without foundation?

Mr. Turner (Ottawa-Carleton): No, sir.

[Mr. Gillespie.]

CONSUMER AFFAIRS

RETAIL PRICE OF BEEF—GOVERNMENT INTENTION RESPECTING ACTION TO ROLL BACK PRICES IN APPROPRIATE CIRCUMSTANCES

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I had hoped that the Minister of Consumer and Corporate Affairs would be in his place this afternoon, but in his absence may I direct my question to the Prime Minister. It arises from the statement made yesterday by the chairman of the Food Prices Review Board to the effect that retail beef sellers have not responded to the drop in wholesale costs by lowering prices. I want to ask the Prime Minister whether the government currently has before it consideration of any steps to rectify this situation?

Hon. Robert Stanbury (Acting Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be pleased to take note of this question for the minister.

Mr. Grier: I am sorry, Mr. Speaker, but I thought I had addressed the question to the Prime Minister. May I have another run at the Prime Minister and ask him whether the government now has before it consideration of any plans to empower itself or any ministry of the government to intervene in order to roll back prices in appropriate circumstances?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I apologize for missing the first question. I was checking about the presence of the minister. It appears that he has gone to Winnipeg where he is meeting with his provincial counterparts and is also addressing the Winnipeg Chamber of Commerce. Very properly, the acting minister did take notice of the question on his behalf.

As to the second question, the answer is yes. The government is considering various ways in which it will be able to ensure that the process spelled out several months ago by myself will take place—in other words, what we do when the Food Prices Review Board has made a recommendation, has met with the industry, has found they are faulty and that they have refused to redress the situation, and it is then up to the government to act. I believe the hon. member is asking: Have we any plans along these lines? The answer is yes.

Mr. Grier: Mr. Speaker, in asking my final supplementary question may I parenthetically urge the government to urge itself and the Food Prices Review Board to accelerate the process to which the Prime Minister has referred. May I now ask him how soon the House may expect an announcement by the government as to the specific steps?

Mr. Trudeau: Soon, Mr. Speaker.

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[*Translation*]

ENERGY

HYDROELECTRIC ENERGY—POSSIBLE NATIONALIZATION OF BRINCO—CONSEQUENCES RESPECTING DISTRIBUTION

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Could he tell us if the government intends to enter into negotiations with the Newfoundland government to discuss the effects on distribution of energy which would follow from the nationalization of Brinco Corporation?

Right Hon. P. E. Trudeau (Prime Minister): I am not aware of such a plan, Mr. Speaker, and I do not understand either the importance of this question. I do not see how the distribution of energy could be affected if the Brinco Corporation or Shawinigan Corporation were to be publicly owned or not.

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● (1420)

[*English*]

CONSUMER AFFAIRS

ACTION TO CONTROL PRICES OF STAPLE FOODS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Prime Minister and is supplementary to the question asked by the hon. member for Toronto-Lakeshore. In view of the fact that prices for all staple foods such as meat, potatoes, sugar, flour and edible oils are increasing at a rate more rapid than the increase in the price of bread, is the government contemplating taking the same action with regard to those staples as it took in connection with bread?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we would take any specific action in the way we did with bread by making an announcement in the House, and the House will be made aware of that action at the time we take it.

Mr. Speaker: Order, please. The hon. member for St. John's East will be recognized for a supplementary question. We are still on the first subject matter, and after the hon. member's supplementary the Chair will recognize the right hon. member for Prince Albert.

REQUEST FOR ESTABLISHMENT OF STANDING COMMITTEE

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct my supplementary question to the government House leader. I should like to ask whether it is his intention to carry out the recommendation of the Special Committee on Trends in Food Prices brought in on the final day of the last session and concurred in by the House, calling for the setting up of a standing committee on consumer affairs, so that these reports by the Food Prices Review Board can at least be referred to an appropriate committee of the House?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am in sympathy with the objective of that committee in desiring a method of continuous review of these reports. I am concerned, however, about the increasing burden we are placing on the committee system by the creation of special committees. I should like to consider further whether it would be possible to achieve this objective within the present committee structure.

Mr. McGrath: By way of a supplementary question, Mr. Speaker, the committee did not recommend a special committee; it recommended, and the House concurred, the setting up of a standing committee. My question to the minister is, does he propose to carry out that recommendation of the House and set up a standing committee on consumer affairs?

Mr. MacEachen: Mr. Speaker, I believe the modification suggested by my hon. friend serves to buttress my dilemma in respect of adding another standing committee to the committee structure which presently prevails and which is regarded on all sides as placing a very heavy burden on members. I should like to examine whether this objective can be achieved without creating an additional committee.

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SPORTS

AUTHORITY FOR ACTION BY MINISTER OF NATIONAL HEALTH AND WELFARE TO PREVENT ENTRY OF WORLD FOOTBALL LEAGUE INTO CANADA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. As a football fan, sometimes designated as a nationalist, I should like to ask the minister under what statute or order in council he claims to act in endeavouring to prevent a World Football League team being established in Canada? He has never made that clear yet, and I should like to know the basis.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it is called the British North America Act.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, I am glad to note the emphasis on "British". I would now ask the minister under what portion of that act he is pretending to act, and is his threat against this organization bluff or bludgeon, or both?

An hon. Member: You are the expert.

Mr. Lalonde: Mr. Speaker, I intend to meet this afternoon with representatives of the interested parties.

An hon. Member: Bring in the bill.

Mr. Lalonde: I am trying to convince them that it is in their own interests as well as the interests of Canada that they should abandon their plan. If they do not, I am sure parliament will have the opportunity to make up its mind, and I am sure that members of the Official Opposition will have an opportunity to decide where they stand on this issue.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, I again ask the minister to tell me, without any fatuous bluff answer, what section

do you rely on or whether or not what you are endeavouring to do is plain bluff and bludgeon?

Mr. Speaker: Order, please. I assume that question is being directed to the Chair.

Mr. Lalonde: Mr. Speaker, the name of the act once more is the British North America Act. The section is section 91.

Mr. Diefenbaker: What subsection?

Mr. Speaker: Order, please. I am not sure whether this discussion revolves around seeking or giving legal opinions, but I do not think we are going to resolve the situation or the difficulty. We will go to the next questioner, the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Diefenbaker: Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. I apologize to the hon. member for Nanaimo-Cowichan-The Islands. The right hon. gentleman, I understand, rises on a point of order or question of privilege.

Mr. Diefenbaker: I simply point out this fact, that the minister is playing with the House of Commons—

Some hon. Members: Order!

Mr. Diefenbaker: —in giving an answer such as that. He knows it is bluff on his part and he is afraid to give the subsection.

Mr. Speaker: Order, please. The right hon. gentleman rose on a point of order. I am not sure that it was a point of order. The minister now rises on a point of order. I am not sure whether it will be a point of order, but I guess we will have to hear him.

Mr. Lalonde: Mr. Speaker, it is not a point of order; it is a point of privilege. I reject the accusation that I am playing with the House on this question. I was asked quite clearly twice by the right hon. member under what section I thought the federal government or parliament could act and I said section 91. I suggest that the right hon. member go and read the section and find out for himself.

Mr. Speaker: Order, please. After these points of order and questions of privilege the Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands.

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ENERGY

POSSIBLE APPLICATION TO CONSTRUCT MACKENZIE VALLEY GAS PIPELINE—DIVISION OF THROUGHPUT BETWEEN MACKENZIE DELTA AND PRUDHOE BAY GAS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. In view of the fact that an executive of Canadian Arctic Gas Studies Limited has announced they will be making an application for the construction of the Mackenzie Valley gas pipeline within a few days, and in view of the fact that both the Prime Minister and the Minister of Energy, Mines and Resources have already committed the government to this project, can the minister tell the House what share of the throughput of 4.5 billion cubic feet per day will be gas from the Mackenzie Delta and what part will be gas from Prudhoe Bay in Alaska?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, perhaps I might remind the hon. member that the commitment of the government is to the line subject to the usual regulatory approval and protection of the interests of the native people. With regard to the share or nature of the project we will, of course, only know this in any detail once an application is filed with the National Energy Board.

POSSIBLE APPLICATION TO CONSTRUCT MACKENZIE VALLEY GAS PIPELINE—PERCENTAGE OF THROUGHPUT FOR CANADIAN AND AMERICAN CONSUMERS

Mr. T. C. Douglas (Nananimo-Cowichan-The Islands): Mr. Speaker, it is amazing that the government has committed itself to a project without knowing how much Canadian gas and how much American gas will go through that pipeline. May I ask the minister now whether he is aware of the fact that 70 to 75 per cent of the gas for the first five or ten years will be Canadian gas, and can he tell the House what percentage of the throughput of that gas will be for Canadian consumers and what part will be for American consumers?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I remind the hon. member again that the application, of course, is subject to the full jurisdiction of the National Energy Board. On the remaining question, he seems to know more about the application than I do. I will have to wait until it is officially made to the board.

Mr. Speaker: The Chair will recognize the hon. member for a last supplementary after which I will recognize the hon. member for Qu'Appelle-Moose Mountain.

● (1430)

POSSIBLE APPLICATION TO CONSTRUCT MACKENZIE VALLEY GAS PIPELINE—INQUIRY AS TO FINANCIAL COMMITMENT BY GOVERNMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the National Energy Board's tragic advice to the government on gas reserves in 1970 I thought the minister would have familiarized himself with some of the conditions with respect to this gas pipeline. May I ask the minister now whether the Canadian government has been approached at any time to make any financial commitment to the construction of the Mackenzie Valley gas pipeline, either by way of equity capital or by way of loan capital and, if so, what commitment is the government contemplating at this time?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the government of Canada as such has not been approached. There are two emanations of the government of Canada which on their own

decision have participated in this study group, namely, Canadian National Railways and the Canada Development Corporation, but financial assistance directly from the government has not been sought for the project.

* * *

INDUSTRY

POSSIBLE ESTABLISHMENT OF PETROCHEMICAL COMPLEX IN SASKATCHEWAN IN RETURN FOR PROVINCE ACCEPTING LOWER PRICE FOR OIL

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Prime Minister. In view of the negotiations going on at present with the government of Saskatchewan about a lower price for oil for Canadians in return for the location of industries in western Canada, has the federal government proposed use of the Prairie Farm Rehabilitation Act to establish water storage in the Souris River so that a petrochemical complex could be started in southern Saskatchewan based on the coal, oil and gas fields in that area?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, perhaps I might be in a position to answer the question. In general terms, the matter to which the hon. member has referred has been discussed with the Saskatchewan government. At the present moment the Saskatchewan government, I believe it is fair to say, is interested in getting additional information. We have agreed and undertaken with them to support various studies. That is as far as that particular project has gone although, of course, in terms of the Qu'Appelle area the hon. member may know that we did in fact sign an agreement a few weeks ago for some considerable improvements in that particular region.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I wonder if I might put the question to the Prime Minister again. My question is really on the matter of the negotiations on a national price for oil across Canada which is part of the negotiations with the provinces of Alberta and Saskatchewan. Has this particular proposal been brought into the discussions as a *quid pro quo* that the Canadian government is willing to offer Saskatchewan?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should have thought that the minister's answer cleared that up. If the hon. member wants to know if in a particular conversation I had with Premier Blakeney this week this subject was raised, the answer might be different from what it would be if the question were whether this question was generally current between the two levels of government, and the answer to that has been given by the Minister of Regional Economic Expansion.

Mr. Speaker: Order, please. I have to ask the hon. members for their co-operation. If we have two or three supplementaries on every question, we will not have many more questions before running out of time. I will recognize the hon. member for Qu'Appelle-Moose Mountain on a supplementary and then will see the hon. member for Central Nova.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, again I should like to ask a question very specifically of the Prime Minister. I know that discussions are going on between the two governments and have been on for nearly a year. I am asking the Prime Minister: has this particular project been raised with the government of Saskatchewan as part of the negotiations with a view to getting the Saskatchewan government to accept a lower price for oil in Canada?

Mr. Trudeau: I would disclaim that that approach has been used at all. I think the federal government made its position quite clear some months ago, namely, that we did not accept the *quid pro quo* approach, and we undertook long before the energy crisis, certainly when DREE was founded and then again at the Western Economic Opportunities Conference, to do various things to help the balanced growth of the western part of Canada, particularly the prairie provinces. Therefore we do not tie this project to any particular agreement on gas and oil. We hope that they will stand independently one of the other, that in the one case it will be the federal government trying to achieve the balanced economic development of various parts of the country and in the other case it will be two oil producing provinces understanding that it is in the national interest that they undergo some restraint in their price in order to help the general Canadian economy.

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AIR CANADA

DISPUTE WITH MEMBERS OF AIRLINE EMPLOYEES ASSOCIATION—INITIATIVES BY MINISTER TO RESOLVE ISSUES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Labour. Can he advise us whether, in view of the present work to rule policy of the Canadian Airline Employees Association, which is resulting in a considerable drop in airline passenger traffic, he intends to take any further initiatives to resolve some of the issues troubling the members of CALEA?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, in terms of a rotating strike, I understand they occurred yesterday but did not occur today. Furthermore, the hon. member might be pleased to know that the parties are meeting with the mediator tomorrow morning in Vancouver. We are hopeful that this dispute may be resolved.

Mr. MacKay: Mr. Speaker, I thank the minister for his answer. I was aware of those particulars but I should like to ask the minister one brief supplementary. Has the minister received a request that he not intervene at this time in the present dispute between our national air carrier and members of CALEA?

Mr. Munro (Hamilton East): I have not checked as to telegrams in the last hour or two, but I do not recall having been asked not to intervene. However, this does not seem pertinent at the moment in view of the willingness of the parties to meet the mediator tomorrow morning.

[*Translation*]

FOOD PRICES REVIEW BOARD

INTENTION OF GOVERNMENT RESPECTING STRENGTHENING OF POWERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, the Minister of Consumer and Corporate Affairs being absent, I shall direct my question to the right hon. Prime Minister.

In view of the evident impotency of the Food Prices Review Board and the incapacity of Chairwoman Plumptre for explaining the reason for this board to exist, could the right hon. Prime Minister indicate whether the government intends to amend the mandate of this board to increase its effectiveness?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I find both the preamble and the question extremely strange, considering that hardly a few days have elapsed since the House strongly urged the government to give effect to a recommendation the board chaired by Mrs. Plumptre had made in connection with the price of bread. I do not think that hon. members may one day ask the government to give effect to the recommendations of a board and complain the next that it is not doing its duty.

* * *

[*English*]

INDUSTRY

AUTOMOBILES—ALLEGED WIDENING OF DIFFERENTIAL BETWEEN CAR PRICES IN CANADA AND UNITED STATES—REPRESENTATIONS ON SAFEGUARDS IN AUTO PACT

Mr. Terry O'Connor (Halton): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. The latest report of the President of the United States to Congress on the auto pact, just released, for the second successive year shows a widening of the price differential between cars purchased in Canada and those purchased in the United States. What steps is the minister now prepared to take to narrow this gap other than those taken last year which were obviously unsuccessful?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, my information and the advice I have received is contrary to that which the President of the United States has received. My information is that the price gap has narrowed.

Mr. O'Connor: For the purpose of my questions we might rely on this report and the minister can dispute it at his will. The report also continues to refer to the Canadian safeguards as being of a transitional nature despite the minister's representation last year that this was not the case. Has the minister made any representations to his counterparts in Washington to correct this inaccuracy?

Mr. Gillespie: I would hope that at some time in the near future we will have an opportunity again to discuss with the American authorities potential improvements in the automobile pact. As I have said on previous occasions, if we do, such improvements will be based on protecting present Canadian jobs and equally participating in the growth of the industry in North America.

[Mr. Munro (Hamilton East).]

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MANPOWER

REASONS FOR ALLEGED CUT IN TRAINING

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Manpower and Immigration. I ask the minister whether he or his officials have met with representatives of the provinces and informed them that in the coming year his department proposes to cut purchases of manpower training places in community colleges and vocational institutes by just under 10 per cent? If this is a fact, what are the reasons for the adoption of this policy?

● (1440)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the information with regard to the manpower training budget and the allocations to the provinces has been given to the various provinces. The fact of the matter is that there is a reduction in the number of manpower training days because, while an increased dollar budget is available, the cost of manpower training has escalated. Educational costs went up far more than the original provincial forecasts, which placed a squeeze on the actual number of training days that can be purchased from the said colleges.

Mr. Orlikow: I should like to ask the minister whether implementation of the policy he is pursuing now will not mean either that the provinces will have to pick up much more than the 50 per cent of the cost they have been bearing up until now or cut back on the number of teachers and the number of students they have been educating and had proposed to educate during the coming year?

Mr. Andras: Mr. Speaker, to a degree one or the other will result based on the fact that in some cases the provinces themselves forecast increased costs amounting to about 7 per cent or 8 per cent and finally came up with increased costs amounting to as much as 18 per cent.

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EXTERNAL AFFAIRS

POSSIBLE OPENING OF MISSION BY SAUDI ARABIA IN OTTAWA AND CANADIAN EMBASSY IN IRAQ

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to our distinguished maestro, the Secretary of State for External Affairs. Following his announcement today that Canada is to open an embassy in Saudi Arabia at an early date, can he indicate when that country plans to establish a mission in Ottawa, and can he say when this country will open an embassy in another important oil producing country, Iraq, which has had a mission here for many months?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As the hon. gentleman has said, Mr. Speaker, in

furtherance of the announcement I made in the House some months ago we have now agreed with the government of Saudi Arabia to open an embassy in Jedda, and we hope this will be under way in the fall of this year.

We are now discussing with the Iraqui government the establishment of a mission in Bagdad. I am not quite sure when that one will be opened, but the plans are under way. Of course, we would welcome the establishment of a permanent mission here in Ottawa by both of these countries. We have Iraqui representatives here now and we are very happy to have them with us. If Saudi Arabia would like to open a mission here we would be very pleased to have them too.

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INDUSTRY

AUTOMOBILES—ACTION TO OFFSET RISING CANADIAN PRICES AND DECLINING CAPITAL INVESTMENT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is a supplementary one directed to the Minister of Industry, Trade and Commerce. In view of the report referred to by the hon. member for Halton, which indicates that retail prices of automobiles in Canada are increasing while they are decreasing in the United States, and in view of the fact that capital investment in the automotive industry in Canada declined more than 11 per cent and it appears that we will have a sizeable deficit on the auto pact in the fiscal year 1973-74, what action does the minister intend to initiate in his department to offset or overcome this condition?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have already made clear to the presidents of the automobile companies, to the presidents of the parents in the United States as well as to the Canadian presidents, that we are concerned about the level of investment and, further, that we would expect that level of investment to come up in Canada so that it would balance the production and share of the market that we have in North America.

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[*Translation*]

CONSUMER AFFAIRS

INCREASE IN PRICE OF BREAD—
PUBLICATION OF REASONS GIVEN BY COMPANIES—POSITION OF FOOD PRICES REVIEW BOARD

Mr. Eudore Allard (Rimouski): I thank you, Mr. Speaker. I realize perseverance is a beautiful virtue.

In view of the absence of the Minister of Consumer and Corporate Affairs, I shall direct my question to the right hon. Prime Minister.

Will he tell the House if the reasons given by the companies to justify a higher increase in the price of bread than that suggested by the Plumptre Board have been made public? If so, has the board studied and accepted them?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, to follow the sequence of events, the companies had announced an increase in the cost of bread, and the Plumptre Board considered it unjustifiable. The minister then made suggestions to the companies. They accepted, as a result of those suggestions, not to decree the planned increase. I believe a meeting is to be held at the end of the month, around March 25, with the legal counsels of the bakeries, and we will then know the answer of the Plumptre Board.

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[*English*]

ENVIRONMENTAL AFFAIRS

REQUEST FOR ASSURANCE ALL IMPACT STUDIES WILL BE RELEASED TO PUBLIC

Mr. Peter P. Masniuk (Portage): Mr. Speaker, my question is directed to the Minister of the Environment. Can the minister assure the House that all environmental impact studies will be released for public investigation?

Hon. Jack Davis (Minister of the Environment): No, I cannot, Mr. Speaker.

Mr. Masniuk: Will the minister guarantee this approach by making a statement on motions in the House that the release to the public of all environmental impact studies is government policy?

Mr. Davis: Mr. Speaker, I expect to be making a statement to the House on this subject in a few days time.

REQUEST FOR PUBLICATION OF STUDIES OF IMPACT OF JAMES BAY HYDROELECTRIC PROJECT

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I wish to direct a supplementary question to the Minister of the Environment. In view of the urgency in making public environmental impact studies with regard to the James Bay project, studies for which the federal and provincial governments have allocated $10 million, will the minister assure the House that he is not blocking publication of these studies and that they will be made public forthwith?

Hon. Jack Davis (Minister of the Environment): I am glad to give the House that assurance, Mr. Speaker.

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GRAIN

INTENTION OF GOVERNMENT RESPECTING INTRODUCTION OF EMERGENCY LEGISLATION DEALING WITH TRANSPORTATION

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to direct a question to the Prime Minister. In view of the fact grain transportation in certain parts of the country has deteriorated to a frightening degree, has the government any plans or is it making plans to bring forth emergency legislation to deal with grain movement in order to ensure that Canada may achieve the maximum possible exports?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would like to draw to the attention of the hon. member the fact that the minister did make an announcement this morning regarding an increase in boxcars being brought into service to the number of 2,400. We hope this will help to alleviate the serious problem.

MOVEMENT OF GRAIN—IDLE BOXCARS—PROVISION OF CARS BY RAILWAYS IN LIGHT OF CROWSNEST FREIGHT RATES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a question to the minister in charge of the Canadian Wheat Board. Is he aware of the fact that as of March 7 some 65 boxcars were sitting idle just north of Nanton, Alberta, and have been sitting idle there for six months, and is he prepared to investigate this situation as well as the numerous other sidings on which a large number of boxcars are sitting idle and unused?

Hon. Otto E. Lang (Minister of Justice): Yes, Mr. Speaker, there is a long list of cases of cars being idle during the course of the winter months, and we are investigating each of these cases. Of course, in a general way I have indicated to the House that the railways did suffer some serious problems because of the worse than usual snow conditions—

Some hon. Members: Oh, oh!

Mr. Lang: Mr. Speaker, I know that you and hon. members opposite appreciate that it snows in the prairies every year, but most of them who visited home in the last few months will know that it snowed a good deal more this winter than it does in an average winter.

Mr. Speaker: Order, please. I should bring to the attention of hon. members that we have only a few minutes remaining before the end of the question period and I appeal to them to limit the number of supplementaries. The Chair will recognize the hon. member for Vegreville and then the hon. member for Saskatoon-Biggar.

Mr. Mazankowski: I appreciate your indulgence, Mr. Speaker, because this is a very important subject. I would like to ask the minister one further supplementary. Can he tell the House whether, from his discussions or meetings with the railways with respect to the whole matter of grain transportation, he has been able to determine if it is a fact that the railways are deliberately attempting to undermine and weaken the Crowsnest freight rates by not providing sufficient boxcars to meet the demands of the prairie grain producers?

Mr. Lang: Mr. Speaker, I have not been able to determine whether there is any such intent. The railways have indicated an intention to get back to the levels of their own commitments, and we will be urging them to improve upon this in order to catch up on the shipments that we would have liked to have sooner. In addition, we have created an emergency committee to deal with possible short-term steps that can be taken by the railways, by the elevator companies and by everyone involved in the movement of grain in order to get better use out of whatever equipment can be committed by the railways to the movement of grain, because it is in the interests of everyone to see maximum movement between now and the end of the crop year.

[Mr. Murta.]

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● (1450)

AGRICULTURE

ACTION TO ASSIST CATTLEMEN IN LIGHT OF EFFECT OF IMPORTS FROM UNITED STATES ON MARKET

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct my question to the Prime Minister in the absence of the Minister of Agriculture. It arises out of the fact that last week the Minister of Agriculture told the House he would very quickly give an answer to the House with regard to the situation existing in the beef industry, which is very critical and requires immediate attention. Will the government be able to tell the House within the next very few days of a program to save the beef industry from the very bad situation that now exists with regard to feeding cattle?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer is, first, that the minister is in Lethbridge presently meeting with the industry leaders.

An hon. Member: With the Liberal Party, you mean.

Mr. Trudeau: I agree that many of them are Liberals, as the hon. member opposite has suggested. He will repeat to them the assurance he has given the House previously, which is that the government would act in this regard.

Mr. Gleave: As the representatives of the Canadian cattlemen are here in Ottawa, would it be possible for the Minister of Agriculture to come back to Ottawa and talk to them instead of to the Liberals in Lethbridge?

Mr. Trudeau: Mr. Speaker, as the hon. member knows, it is within the duties of the minister to do both, but there are so many Liberals in Alberta that he cannot bring them all back to Ottawa.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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ENERGY

PROPORTION OF EXPORT TAX PAYABLE TO OIL PRODUCING PROVINCES—APPLICATION OF EQUALIZATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I do not know whether the Prime Minister is deliberately trying to destroy confidence in the government. My question is for the Minister of Finance. It is a very serious question. I ask the Minister of Finance whether he denies that he represented to the House and to me personally, when the export tax and export charge bills were before the House, that the funds received by the producing provinces from the export tax were subject to equalization and that he said those things for the purpose

of getting the legislation through the House and of getting my consent to unanimous agreement?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. My statement, if properly construed, would indicate that if equalization were due it would have amounted to $25 million and would have been a deductible charge from the export tax. But the advice I have received is that there is no equalization due on any division of the export tax.

Some hon. Members: Oh, oh!

Mr. Stanfield: The Prime Minister is laughing. I think this is a serious question.

Mr. Trudeau: I am laughing at you, not at the question.

Mr. Stanfield: I regard this as a serious matter, if the minister made the statement. I make no pretense that, so far as I am concerned, this goes to the credibility of the Minister of Finance. I ask him once again, sir, and if he wants to say to me that he made a mistake, I will accept that.

Some hon. Members: Oh, oh!

Mr. Stanfield: I ask him again whether he denies that he said in the House and represented to me that these funds received by the oil producing provinces were subject to equalization.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that was not the context in which I put the matter. I am advised that the act as it stands and the regulations as they stand do not nor did they provide for the payment of equalization.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

Mr. Baker: On a point of order, Mr. Speaker, may I ask a question with respect to the business of the House. Since tomorrow is to be the first day, hopefully, for government business, I wonder if the acting government House leader can inform us what will be the business for tomorrow and perhaps for Thursday and Friday as well.

Mr. Trudeau: Mr. Speaker, I believe, as indicated previously, that it is planned to have an allotted day on Friday.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY. S.O. 58—NON-CONFIDENCE MOTION—FAILURE OF GOVERNMENT TO EXTEND DEADLINE OF VETERANS LAND ACT

Mr. Jack Marshall (Humber-St. George's-St. Barbe) moved:

That this House regrets that the government has not extended the March 31, 1974 deadline under the Veterans Land Act and calls upon the government to consider taking immediate steps to extend this deadline.

He said: Mr. Speaker, I am pleased, on behalf of my party, to move this motion today, even though I know that the vital question of the day is the uncontrollable increase in the cost of living which is affecting most Canadians. I am pleased to be given this opportunity because, sir, we have almost reached the deadline; in 19 days the government intends to phase out the Veterans Land Act.

You are well aware, Mr. Speaker, of the number of times that I, along with other members of my party and of other opposition parties, have tried by every means at my disposal to convince the government and the Minister of Veterans Affairs (Mr. MacDonald) to reconsider the phasing out of the act. May I mention that several colleagues in my party and in the other parties have collaborated on this issue. I have collaborated on a number of occasions with the hon. member for Winnipeg North Centre (Mr. Knowles) in bringing motions before the House for just this purpose. My most recent attempt was made on January 11, just before the House recessed, when I moved a motion for the adjournment of the House, since I felt that this situation was an emergency one at that time.

In your reply, sir, you acknowledged the number of times on which I had brought up the issue and indicated that there would be other occasions in the new session when I could direct attention to the issue. You mentioned that several allotted days were set aside for such purposes. I have taken advantage of the present allotted day to raise this issue once more. You are well aware, too, of the number of ambiguous answers given by the minister, who did nothing more than leave the door open by stating that the matter was under review.

In his speech to the House last Thursday the minister literally slammed the door shut on any hopes that remained in the minds of veterans still qualified that anything would be done, when he stated, as recorded at page 305 of *Hansard:*

On January 11 last, as reported at page 9281 of *Hansard*,—

The minister was referring to the question I had asked.

—I stated that if I had sufficient information to make me think the deadline date should be changed I would so recommend to the government. I want to assure you, Mr. Speaker, that I have carefully considered all relevant representations and data, including that determined by the Royal Canadian Legion in the survey it conducted last December. I am unable to conclude that such a recommendation would be warranted or appropriate.

However, what he was really saying was that he has disregarded the many thousands of replies to questionnaires sent out by the Legion, I think the total is around

8,000, and the many resolutions submitted to him by national veterans' organizations on behalf of thousands of veterans, plus the countless letters he has received from individual veterans. I am surprised that this did not justify the extension of the legislation. If this is the basis for his decision, all I can say is that judging from the letters my party receives every day, there must be two national veterans organizations, one which writes to him and one which writes to me.

● (1500)

Some hon. Members: Hear, hear!

Mr. Marshall: These veterans organizations represent the majority of some 900,000 veterans still living in Canada. I cannot accept the suggestion that the decision was based on what the veterans want or on the advice they offered. I believe it must be based on some other factors. Our motion today reads very simply, and I quote:

This House regrets that the government has not extended the March 31, 1974 deadline under the Veterans Land Act and calls upon the government to consider taking immediate steps to extend this deadline.

I am sure many members of the House might wonder why my party, on its first allotted opposition day, has raised as a national concern one section of the veterans charter when such a matter might be relegated to a very low priority. I hope that my remarks will provide the answer to that question.

First, I feel it might be worthwhile to review the act. It was enacted in 1942 and consists of three parts. Under Part I, financial assistance, grants and loans may be provided to qualified veterans who desire to settle on land as full-time or part-time farmers or as commercial fishermen.

Part II provides that any qualified veteran who is approved for a loan under the National Housing Act may receive financial and other assistance to build his own home, provided he assumes his own construction contract with a maximum ceiling of $18,000.

Part III makes available additional fully repayable loans to full-time and part-time farmers and fishermen at the time they are established under Part I of the act, and to those previously established under Part I and still have a subsisting contract with the director. At the same time, low cost group life insurance is available to assist in the repayment of a veteran's remaining VLA debt in case of death.

Under Part I, financial assistance may be approved up to $40,000 or 75 per cent of the security value of the land, whichever is the lesser amount, for basic herd livestock and farm equipment. One advantage is that under this part of the act, the first $6,000 is available at only 3½ per cent and the remainder at the current rate which is presently 7 per cent. Under certain conditions there are other stipulations of varying degrees, including conditional grants. Similar conditions prevail for commercial fishermen with varying grants and/or loans depending on the circumstances.

Under Part II of the act, loans are available up to $18,000, repayable at the going NHA rate of interest. This section of the act was introduced to assist veterans of World War II and Korea to become homeowners, particularly those who because of the nature and location of their employment could not be established on two or three acres of land as part-time farmers under the act and whose income was insufficient to meet payments on the cost of a home built by a regular contractor under the National Housing Act.

Under the regulations, it is required that a veteran applying for a loan under Part II must hold a parcel of land of one half acre. However, when a parcel of land does not contain this minimum and no other land is available to make up one half acre, this requirement is reduced by 20 per cent with the exception that those veterans who are in receipt of a 50 per cent disability pension may be exempted from this minimum acreage requirement.

Over the years amendments to the legislation were introduced, both with regard to the amount of the loan ceiling and the deadline dates for certification. For example, in 1965 the loan ceiling under Part II was raised from $12,000 to $18,000. This remains today, almost 10 years later. It must be pointed out also that deadline dates for certification were extended as a result of changing conditions. It was established in 1962 that deadlines would be introduced. October 31, 1968 was established as the deadline date for certification with March 31, 1974 as the date for applications for loans.

Today, there are over 100,000 veterans certified who cannot apply because of the restrictions of loan ceilings and lot requirements. Many of these veterans are still serving and are not ready to locate at a predetermined location. The minister keeps repeating, and his department reports predict, that a small percentage of the some 140,000 became certified in October, 1968 in case they may want to apply before the March, 1974 deadline. Nothing could be more far-fetched, Mr. Speaker. As everyone knows, the real reason is that with today's housing costs, it is impossible to build a home and provide a lot of over 17,000 square feet for $18,000. They actually do not get a loan of $18,000 since the down payment required is $2,600.

Purely and simply, governments past and present, even with their good intentions, failed to predict what changing conditions have brought about. I am sure the minister and some of his colleagues will use the argument that when the deadline was established, there was unanimous consent in the House and that it occurred during the time of the Progressive Conservative government. However, there were earlier deadlines established by other governments, and they were changed to meet increases in costs over the years or for other reasons. There have been countless amendments over the years to help cope with changing conditions, regardless of which party happened to form the government of the day, or who made the decision to impose deadlines. Therefore, why do they not admit that it is only fair and reasonable to extend the deadline, something which they have the power to do?

The main point I want to bring out is that the motion goes beyond the material advantages that would accrue to the veteran as his right. It is not wholly because the government has failed to increase the amount of the loan and amend the lot requirements. It is not merely because of the other factors I have mentioned. It goes beyond that. There is a principle involved here, not only an important principle but one which indicates a breaking of faith by the government of Canada which, in the name of every

citizen of Canada, made a commitment to the veterans of World Wars I and II and Korea.

Some hon. Members: Hear, hear!

Mr. Marshall: That commitment was made when the Prime Ministers of the day stated clearly and emphatically that no veteran, whether he remained where wars were fought or returned, would ever have cause to say that Canada broke faith with those who died, those who remained or those who returned.

Our motion today goes beyond the mere denial of the veteran's right under the Veterans Land Act. It brings into focus how easily we forget and points out the lack of recognition of what our country is all about. I am the first to admit that, in spite of the criticism by the opposition, myself included, as a country we are the envy of other nations of the world insofar as prosperity and freedom are concerned. How did we reach this state of affluence? We reached this status because we built a base of greatness through the initiative and dedication of the people who make up our citizenry. We also reached our status through the suffering of people who came to Canada because of the opportunities that existed.

We are made up of people of every race, and from all parts of the world, who were willing to participate in the building of a nation. They helped build Canada through sweat, toil and suffering. They were willing to suffer. When they were called upon during wars, they offered their lives to defend their country and to join with their neighbours to ensure peace in the world.

The minister also mentioned in his speech that this year would mark two important events for the veterans of this country. First, this coming June will be the 30th anniversary of the landing of the allied troups in northern France which resulted in the liberation of Europe and the end of World War II. He said the government, and rightly so, will take a very active part in the ceremonies. I am sure that all members feel the minister will be a worthy representative of our government and our country. Perhaps I can suggest he would be wise to include in his address an extract from the booklet entitled "Veneration for Valour, an assessment of the veterans charter and its impact on Canadian veterans and on Canada as a whole". I should like to read from this booklet. In it, we find these words:

● (1510)

How have we dealt with those who served and came back? They offered their lives as citizens of the Canadian nation, and they gave much. How have we dealt with the widows and orphans of those who did not come back? How did they expect to be repaid? The answer, in their name, was given by the Canadian Legion at its founding convention 46 years ago. Through all of those years the work of the Legion has involved, in the words of Senator Arthur Laing, Minister of Veterans' Affairs, "the awakening of the peoples' indebtedness, a sense of compassion for those who have suffered, and a veneration for valour." Its twin objectives, as defined by its first president, were "the welfare of Canada and the proper care of all who served their country in time of war.

It is well to note the priorities in those objectives. The welfare of Canada came first, the care of the veterans second. Yet both were linked together. They remained in the same order, and they remained linked, at the close of the second World War. There could never be a sound nation, a national at peace with itself, without adequate recognition of its veterans' claims. It must be just, but it must be feasible within the limits of our national resources. And what did that demand? It demanded first, without thought of any limits, the generous care of the disabled; and that was always given. It was recognized in the years following the first World War as demanding a measure of help to all returning men. By the end of the Second World War, in a changing nation and a changing world, it had assumed a new dimension. Rehabilitation, both as a national obligation and as sound national policy, had come to mean helping the veteran to establish himself in civil life in a situation at least as good as he would have occupied if he had not gone to war. It was a large objective, pursued through a quarter century and still being pursued. Both in money and human efforts the work of the Department of Veterans Affairs represents one of our greatest national projects. It is a successful project, and a living force in the nation. In keeping faith with our veterans we have not only served them; we have joined with them in the building of a better country.

This may sound emotional, Mr. Speaker, but perhaps, when we stop to consider what is going on around us, we should get emotional more often.

Some hon. Members: Hear, hear!

Mr. Marshall: In this same booklet, Mr. Speaker, a reference is often made to the Veterans Land Act, in particular to land settlement and home construction. The performance statistics show a large measure of success. Some 32,000 veterans have been settled on farms and 85,000 on small holdings. More than 36,000 have been assisted to build houses. The booklet goes on to say that these figures are of little help in themselves as a means of measurement, and that the work is not yet complete. More homes have yet to be built; more farms are being enlarged. So, I ask the minister this question: Why, when only a year and a half ago there was so much more to be done, should this work suddenly become unnecessary?

Let us turn for a few moments to the way in which the act has been administered, and look at a few of the statistics which the government uses so readily. Investment of public funds stands at present at $535 million. Total revenue received from veterans during the year prior to the publication of the report amounted to $69 million—$43 million representing new payment of principal, and $26 million representing interest payments. During that year some 2,100 loans were negotiated. House construction starts increased in Quebec and the Maritimes, remained steady in British Columbia and the Prairies but declined in Ontario, due mainly to rising costs and the difficulty of finding suitable land. The cost of new construction, alterations, additions and repairs amounted to nearly $80 million. Under the small holdings provision, the most popular form of assistance, some 3,000 veterans were established.

A staff of 536 is employed in the VLA administration. The annual report states that work production increased to 103.5 per cent relative to an index base of 100 for the year 1969-70. The administration, in addition to its other work, provides an appraisal service to other departments, particularly the Department of National Revenue, and in the year referred to completed almost 23,000 reports for that department's data bank. I wonder whether the Minister of National Revenue (Mr. Stanbury) has heard about that? So, here we find a competent administration working above the acceptable performance level, working for other departments, maintaining an acceptable business record. Yet the government has announced its intention of phasing it out.

How many amendments have we seen brought down in the past few years to the housing legislation for which the Minister of State for Urban Affairs and Housing (Mr. Basford) is responsible? How much money is being poured into this area? Certainly, everyone would agree that further vast amounts of funds must be provided for housing because of the housing crisis. But is there any reason or justification for phasing out legislation which is serving the veteran at no unreasonable cost to the public, particularly since doing so would have the effect of throwing thousands of veterans into the mainstream of the demand for housing which today is so acute?

The minister told us in his speech that he would be attending the biennial convention of the Royal Canadian Legion. Again, I say he will be a worthy representative. I am sure he will make reference to the increases effected in war veterans' allowances, civilian war allowances and in disability pensions. And so he should. I shall be proud, as will all members who played some small part in passing legislation to effect these increases. I am sure the minister will mention the fact that Canada's veterans charter compares with the best in the world, if, indeed, it is not the best. So he should, Mr. Speaker, and once again my colleagues and I will be proud to be associated with him.

But will it be fair to tell the 2,500 veterans who will gather from across the country at the Dominion command convention that after reviewing all the factors he was unable to conclude that the extension of the March, 1974, deadline was warranted or appropriate? I say it will not. I hope he will be able to sell them something along these lines—that the government, realizing the commitments made by past governments over the years are in the name of every Canadian citizen, has decided to continue to keep faith with its Canadian veterans and not only to extend the March, 1974 deadline but, as well, to extend the October deadline. Further, that it has decided to increase the maximum ceiling and reduce the lot requirement in line with today's needs, and that it will undertake to ensure that no veteran would be denied the right to acquire a home, or a small holding or to improve his home under the terms of the act as long as he lives.

As I said in my opening remarks, I have attempted over the past many months, with the support of my party, by questions in the House and in committee meetings, by way of motions, a private members' bill and other means, to persuade the government to reconsider its decision to phase out the act. I have attempted to do so in a responsible manner. Nevertheless, I understand there are rumblings going around that there are ulterior motives behind the motion we are putting forward today. All I can say is that I am sorry for those who think that way.

With only 19 days left before the phasing out of the legislation, the motion before us is a last effort of mine to appeal to the government to take steps to extend this deadline. It is a known fact that on matters concerning the veterans of Canada the members of this House have always stood together. This attitude has been exemplified from time to time on many occasions, particularly at meetings of the Veterans Affairs Committee. I am sure that all hon. members, some 50 of whom are veterans, appreciate the emergency which exists. I am sure, too, that all members of the House will support this motion, and, in doing so, indicate that as representatives of every citizen in Canada we are fulfilling our commitments to the veterans of this country to whom we owe so much.

[Mr. Marshall.]

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in my first words I wish to commend the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) for presenting this motion to the House today. I also wish to commend him most warmly on the clear and responsible manner in which he presented the case asking the government to reconsider the question of the deadline on the Veterans Land Act and to continue that legislation beyond the end of this month.

● (1520)

It has been my privilege—and I thank my hon. friend for having referred to it—to collaborate with the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) on a number of matters relating to veterans affairs. I should like to take this opportunity to acknowledge once again that he did me the honour of seconding the motion that I presented to this House on November 9, 1973, under Standing Order 43. That motion called for a reconsideration of the whole question of the Veterans Land Act. I shall refer to its terms in a few minutes, but I wish to emphasize the fact that unanimous consent was given to the making of that motion and that the House supported it unanimously.

That is perhaps one of the reasons, along with the others that he stated, for the tone in which the hon. member for Humber-St. George's-St. Barbe spoke this afternoon. He spoke not just for himself and for the members of his party, and I hope that I speak not just for myself and for the members of my party. I believe we are speaking for members in all parts of this House, and I am able to say that not just because of a personal judgment of what all hon. members think, but because there was unanimous approval of the motion that was made on November 9, 1973.

I realize that in a speech that he made last week the Minister of Veterans Affairs (Mr. MacDonald) seemed to say that he had given this matter all the consideration that he could, and that he was not able to bring himself to continue the legislation. However, I join with my hon. friend, and with others who will speak after me, in making the strongest appeal I can to the minister. My appeal is that when he speaks in this debate today, as I trust he will, he will be the big man that all of us know him to be and will be prepared to say that, despite what he said last week, in view of the desire of the House he is now prepared to do what this motion asks, namely to reconsider the phasing out of the Veterans Land Act. I hope I can be pardoned for saying that if the hon. minister is already a hero, he will be a hero again today if he accepts and reflects the thinking of this entire House by stating that the time has come to make it clear that the Veterans Land Act will be continued beyond the end of this month.

If there were time I would recite events other than the motion of November 9. Questions were asked by my hon. friend from Humber-St. George's-St. Barbe and myself on November 21, 1973, which resulted in a late show on

Tuesday, December 4, 1973. There were motions and questions in January when we were back here for the end of the session. There were motions on Friday, March 1. The matter has been discussed at length at meetings of the veterans affairs committee.

Even though this question may be one of the lesser issues in the field of veterans affairs, it is before us now because of the deadline of March 31. It is also before us because of the feeling in all parts of the House that it is an issue on which the government should now respond to the will of the House, even though this means changing a position that the minister was very close to taking when he spoke in the debate on the address last Thursday night.

So, Mr. Speaker, that is my plea. I deeply appreciate the manner in which the hon. member for Humber-St. George's-St. Barbe made his plea. He was speaking the absolute truth when he referred to the way in which we get along in the veterans affairs committee and the way in which we deal with veterans affairs in this House. The last thing that we want today is partisan conflict, especially when we are all agreed.

I do not know when the minister will speak. If he wants to sit and listen to the debate before he answers, then that is fine with all of us. But I do hope he knows that in the hearts of all of us in this House we want a clear, unequivocal, good faith assurance today that this matter will be reconsidered.

Thanks to the speech of my hon. friend who preceded me, there are details about the legislation with which I do not need to take part of my 20 minutes to deal. However, I should like to make a few brief comments, and to support my comments by reading extracts from a letter, in regard to some of the arguments that the minister has been putting up when he has been resisting our wish that the Veterans Land Act be continued.

One of his arguments has been that the purpose of the Veterans Land Act has become confused in the minds of veterans in recent years. The minister has pointed out that originally the act was to assist veterans to get settled on a small holding of land on which they would do a certain amount of do-it-yourself agriculture. The minister says that what is happening now is that veterans are trying to get grants under the Veterans Land Act for the purpose of erecting a house for their retirement years.

The other night when the minister made that comment in his speech I interjected—and it is the obvious interjection—"What's wrong with that?" I remind the minister that the motion which was passed unanimously by this House and accepted by him, by all members of the cabinet and by members of all parties on November 9 dealt with that very question. These were the words of the motion, as recorded at page 7693 of *Hansard*:

> That this House requests that the Minister of Veterans Affairs give urgent consideration to the amending of the Veterans Land Act regulations to permit veterans to acquire small holdings, even if the main purpose of most of the older veterans now applying for loans under the Veterans Land Act is to meet their housing requirements, it being the view of this House that entitlement to a piece of this land ought to be the right of any veteran.

At the risk of repeating myself over and over again, that motion was passed unanimously by this House on Friday, November 9. The entire cabinet concurred in it. Surely, the cabinet is not going to go back on what it agreed to do at that time, namely reconsider the whole matter, and to include in that reconsideration the justification that veterans have in seeking grants under the Veterans Land Act, even if housing is the main or the only purpose they have.

I remind hon. members, and I remind the government, that with housing costs as they are today some assistance is necessary. I ask hon. members, what group can this parliament more justifiably assist in the matter of housing than our older veterans? Really, Mr. Speaker, there is no answer to this plea: the government cannot say no. The government really has to come through today and agree to the request in this motion, which is that it reconsider the deadline placed on the Veterans Land Act.

● (1530)

Another argument the minister has used has been the assertion that some veterans were trying to get more than one of the various post-war benefits which were available to them. If I had the time I should like to develop that point myself, but I think the easiest way to deal with it is to read a part of a paragraph from a letter written to the minister on January 28, 1974, by Mr. E. V. Heesaker, Dominion President of the Canadian Corps Association. This was a letter in which a strong, and I think very effective appeal, was made to the minister to wash out the March 31 deadline.

Mr. Heesaker in his letter referred to the comments made by the minister in reply to the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) on November 6, 1973 about this effort to get extra benefits, and he said:

> We would like to point out here that there were many veterans who were not aware of the Veterans Land Act or the University Training Program until after they had used up all their re-establishment credits. And, of course, they had to refund their re-establishment credits before they could become eligible for Veterans Land Act Benefits. So they were not trying to take advantage of two forms of rehabilitation, they were merely changing one for the other after they had learned of the existence of Veterans Land Act.

I think the argument the minister is trying to make in that connection just does not stand up, and even if it did stand up, as I shall suggest by a sentence from Mr. Heesaker's letter a little later on, I suggest our duty to those who served is such that we should not quibble over this sort of thing. Therefore, the plea today for the Veterans Land Act to be continued is one that should be met.

As I have already said, and as my friend who preceded me said, there are many issues affecting veterans in respect of which we want improvements, and we will keep up the battle for them. I agree with my friend that we have done pretty well in the last couple of years, but this happens to be an issue which is crucial as March 31 is only 19 days away.

Another argument the minister uses at times, and really it startled me that he would use it at all, is that it would be unfair to former veterans who did not get this benefit to give it now to today's veterans under different terms. That would be like saying we should not be paying old age security pensions of over $100 a month today at age 65 because that is unfair to our parents and grandparents who back in the thirties got only $20 a month at age 70.

An hon. Member: And what about disability pensions?

Mr. Knowles (Winnipeg North Centre): My friend from Edmonton refers to increases in disability pensions. What about the veterans who have died over the years since World Wars I and II on disability pensions at much lower rates? Is it unfair to them that we now pay better disability pensions to those who are alive today? Really, I think that argument is one that the minister would like to reconsider. What we are concerned about are the veterans who are alive today, and if those who have died before them whether on the field of battle or since the war, could speak they would say they would like to see their comrades get the best of what is coming. This is a different society with more affluence and greater costs, and I suggest it is completely unfair to judge what is done for veterans today by what was done for veterans in days gone by.

Another argument the minister has used is that many of the hundred thousand to whom the hon. member for Humber-St. George's-St. Barbe referred, who got their certificates of qualification before the cutoff date in 1968, were just taking the precaution of getting their authority in case they wanted to use it. The minister says we should not now take those people seriously because they really did not mean it, but just wanted to be sure in case.

In answer to that I should like to read again a paragraph from the letter that Mr. Heesaker wrote the minister on January 28. He said, addressing himself to the minister:

> You say that you are satisfied that the vast majority of veterans who hold Veterans Land Act qualification certificates simply took the precaution of obtaining such a certificate before the deadline of October 31, 1968. This is just like the precaution they took in 1914, and again in 1939, to ensure that no enemy soldiers set foot on Canadian soil, except as a prisoner of war. However, they were not so cautious with their own personal safety.

I suggest that is not the kind of argument that should be made in this debate, that many of these veterans were only taking a precaution. The fact of the matter is that times have changed, problems in gettting housing have become very serious, and in my view we should treat seriously the fact that many of these veterans who have these qualification certificates would like to be able to get themselves located on a piece of land for a home, even if they are not able to do so before March 31. As a matter of fact, I like the sentence in the concluding paragraph of Mr. Heesaker's letter in which he states:

> In view of the above facts, we believe that a veteran should be eligible for benefits under the Veterans Land Act until the day he dies. He offered his life in a time of crisis and this is little enough to give him in return.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): That is what we said in the motion we passed in this House on November 9, 1973, that it is the view of this House that entitlement to a piece of this land ought to be the right of every veteran.

I have quoted two or three times from that letter from Mr. Eugene Heesaker to the minister speaking on behalf of the Canadian Corps Association, and expressing the view of many veterans and veterans' organizations. It is interesting, of course, to know what the minister said in his letter of reply to Mr. Heesaker dated February 18. The letter expresses appreciation for the points made and contains some arguments in respect of the points set out by Mr. Heesaker, but when Mr. Heesaker sent some of the rest of us copies of that letter he suggested there was some hope in the last paragraph of the letter over the signature of the minister. That paragraph reads:

> I appreciated receiving your letter and having the views of your Association. You may be assured that I will keep them in mind as this matter receives further consideration.

I know the minister can say he wrote that on February 18, 1974, and 10 or 12 days later made a speech in which he said he had concluded this consideration and saw no basis on which he could agree to continuing the Veterans Land Act beyond March 31. The hon. member for Humber-St. George's-St. Barbe said he slammed the door shut. Perhaps that is not too strong, but at least he did not lock it. He shut the door on the hope that something could be done, but he did not lock it. What we are trying to do is open that door, and I plead with the minister to give serious consideration to this motion. I am about to sit down, Mr. Speaker.

Mr. Speaker: Perhaps the House will give the hon. member its unanimous consent to his continuing. That is why I interrupt the hon. member at this moment.

Some hon. Members: Agreed.

● (1540)

Mr. Knowles (Winnipeg North Centre): Thank you, Mr. Speaker, for the suggestion, but it is not necessary. I have about concluded my remarks. I feel this is one of the most important days we have had in this session of this Parliament.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): As the two of us who have already spoken have indicated, there are other issues affecting veterans and we will be dealing with them when the time comes. However, March 31 is very close and this issue, even if the number of veterans affected is not great, should be resolved today. I remind the minister, as I remind the House, that even the veterans who themselves may not be involved in the desire for a VLA grant are concerned about the well-being of their fellow veterans, and I therefore suggest that all veterans of Canada have their eyes on this House today. They will be glad to know that members in all parties want the Veterans Land Act extended, and its provisions improved as well, although that is not in the motion today. We will be counting on the minister, and I am hopeful that he will not disappoint us, to agree to the request in the motion by telling this House before the day is over that he and his government will reconsider the matter of extending the Veterans Land Act.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, I am pleased to take part in this debate on the motion introduced by my colleague the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), calling upon the government to extend the deadline under the Veterans' Land Act.

I share the interest of all previous speakers in this matter, for I am one of those who served our country during World War II, a war which was believed to be the very last of all major conflicts.

On a number of occasions, and especially during the past few months, similar motions were introduced calling upon the government to disregard the deadline which had been unanimously agreed upon in 1968 and to extend the benefits of this act later than March 31, 1974. On November 6, 1973, a similar motion was introduced by the hon. member for Winnipeg North Centre (Mr. Knowles), and another on December 4, 1973, by the hon. member for Humber-St. George's-St. Barbe. These two motions, Mr. Speaker, were received with many reservations. I remember the debate that followed the motion, the kind that can be termed a "motherhood" motion. It is very difficult to object to the government paying increased benefits to those Canadians, who are first-class citizens because they took the responsibility in the difficult years of 1939 to 1945 of enrolling, going into training and defending their country.

Mr. Speaker, before developing further my ideas on this motion, I would like to return to the spirit of the act adopted in 1942. With your permission, Mr. Speaker, I will read from the preamble or interpretation of the act. I quote:

In this Act

"veteran" means a person who at any time during the war declared by His Majesty on the 10th day of September 1939 against the German Reich and subsequently against other powers, has been therein engaged on active service in a naval, army or air force of Canada, or of any of His Majesty's forces if at the time of his enlistment he was ordinarily domiciled or resident in Canada,

It can be immediately gathered from this preamble, Mr. Speaker, that the purpose of the act was to favour those young Canadians who answered the call to arms and decided voluntarily, after being called, to go defend their country. The government of Canada has therefore taken very definite obligations towards them.

[*English*]

Mr. Speaker, with your indulgence I should like to read some of the notes in the preamble to the act entitled "An act to assist war veterans to settle upon the land".:

Whereas many men now serving in the active forces of Canada have recorded their desire to settle on land or engage in farming when hostilities cease, and it is desirable that suitably qualified veterans be encouraged to seek rehabilitation in the agricultural industry;

And whereas part-time farming coupled with other employment is an increasingly important aspect of rural and semi-rural life in Canada;

And whereas it is in the public interest as a measure of rehabilitation to assist in acquiring the ownership of farm homes by qualified veterans . . .

And whereas the great majority of prospective veteran settlers have limited financial assets and the lack of such assets has proved to be the main obstacle to the fulfilment of settlement contracts and to the acquirement of farm home ownership;

And whereas it is the purpose of the Dominion Government to provide a measure of financial assistance to veterans on their performance of prescribed settlement conditions in order to promote their engaging in agricultural pursuits either as a full-time occupation or as a part-time occupation coupled with some other employment:

Mr. Speaker, I believe the title of the act and the preamble clearly set out the purpose and intent of the legislation drafted by the framers of the legislation and adopted by Parliament over 30 years ago. The reason I go back to the spirit of the law in 1942 is simple. During those days, of course, we had to create some incentive for, or some interest on the part of, young Canadians to join the service, to abandon careers, leave their families or wives or leave their studies in order to enter the service of their country not knowing whether they would come back or not knowing in what condition they would come back. Of course, the Canadian government took upon itself the task of preparing a program so that the experience of going over and fighting for their country would not deprive young Canadians, of whom I was one, of a career or business to which to come back. If there were no career or business to which to come back or studies to pursue, then if they wished to settle on a farm they could do so with the assistance of the government.

[*Translation*]

Mr. Speaker, this makes me wonder whether we are not somewhat stretching the spirit of the law. If, for instance, the benefits were increased or, for instance, the government, on the recommendation of the minister, were to recommend that in fact extension of the application of the act be studied seriously, I wonder, Mr. Speaker, whether as a veteran who made his option some 27 or 28 years ago, I would not feel that I was being cheated in some of my rights because at that time I was not told that in 1974, following the representations of some veterans, the government or Parliament would consider extending the benefits of the act.

I wonder if my decision would have been the same in 1945, had I then known that, much later, I could change my mind. In any event, we must not forget that 100,000 veterans have already taken advantage of the act. Out of these, 48,500 who are still committed live on these tracts of land and are repaying their loans.

Of these 100,000 no fewer than 40,000 have already benefitted from the grant or benefits and finished paying their debt. Mr. Speaker, I wonder what attitude, and I urge my colleagues to think very seriously about this, those who have already made their decision could have. I wonder whether they will not have the very justified feeling of having been denied their rights by accepting benefits which could have been much more interesting had they waited like a few thousands have done.

This is a most indeterminate number considering that today as many as 48,500 are still committed concerning their land, and considering also the age of these veterans. I consider myself as one of the younger veterans, and yet I celebrated my 50th birthday in September 1973.

So, my information is that the present average age of veterans, as described in the original act of 1942, would be 55.

I believe that when I reach 55 I shall probably have behind me a good many of my productive years, and it is not at that age that I shall consider settling down on a farm.

Perhaps you are right. Some of my colleagues say with a smile that I have many more years to go. They are very kind to smile in the expectation that I shall still be here for a few years. It is probably the military service that kept me so young, Mr. Speaker, Nevertheless 55 is not an

age to think of going into farming or building a house, because one must not forget that this act was originally meant to help the veteran contribute to the building of his house. At the same time, he was committed to farming some of the time.

In any case he had a commitment. I recall reading this commitment and considering it very seriously. However, I was reviewing that act, Mr. Speaker, at an age when one enters a new career, that is at 24, 25 or 28 years. When I refer to the average age of veterans as being 55, it means that most of them are over 55. I wonder if they are taken in consideration when one asks that the benefits of the legislation be extended beyond March 31, 1974. Those citizens have already had 30 years to consider settling on a piece of land or an adequately large lot to make a living.

I do not know whether I was overly eager to select my profession when I decided not to settle on a farm after my release from the armed forces. Mr. Speaker, I know that many veterans 55 years of age or over are seriously considering farming. However, to draw some allowances under the Veterans' Land Act, veterans must undertake to pay a 25- or a 30-year mortgage. Therefore, if the average age of most veterans is 55 it means that a significant number of them are 60 or over. Is it possible to spend still 25 or 30 years on some land and build a home that late in life?

I have serious reservations about the motion introduced. However, I am keeping an open mind on the possibility of extending the application of the Veterans Land Act.

In my opinion, Mr. Speaker, if the debate—

● (1550)

[*English*]

Mr. Baldwin: Mr. Speaker, I rise on a point of order. May I interrupt the hon. member? As a veteran who is not qualified, I am very interested in the hon. member's remarks. For my edification would he say if he is going to vote for the motion or against it?

Mr. Chrétien: You will see tonight.

Mr. Hees: You guys haven't made up your minds yet.

Mr. Dupras: I fail to see a point of order in the hon. member's remark. I do not want to prejudge your decision, Mr. Speaker, but I fail to see a point of order in the hon. member's presentation. If the hon. member is here long enough today he will find out which way I will vote. Now, with your permission, I would like to pursue my ideas on this matter.

[*Translation*]

Mr. Speaker, before taking a decision, I shall wait for the new ideas which may be voiced during the following debate and which will authorize Parliament to consider seriously the motion of my colleague, the hon. member for Humber-St. George's-St. Barbe.

I have listened carefully to the previous speeches, Mr. Speaker, but none contained challenging thoughts which could stir hon. members. In my opinion, nothing at this time authorizes or prepares me to agree to such an extension and to consider it seriously. The following speeches might bring in new suggestions. In any case, my brothers in arms—

[Mr. Dupras.]

[*English*]

Some hon. Members: Oh, oh.

Mr. Dupras: With your permission, I will pursue this and then the hon. member can speak afterwards.

[*Translation*]

Anyhow, Mr. Speaker, I have quite regular contacts with my brothers in arms, since I had the honour of presiding the Veterans Affairs Committee in 1973. I have received a great many comments on benefits, laws, measures which the government has approved in recent years on behalf of veterans.

With your permission, Mr. Speaker, I would like to take a brief look at what the government has done about the increase in pensions paid to veterans and their families.

Mr. Speaker, Canada is one of the few countries that still have a Veterans Affairs Department; in fact, in all the main western countries, very few governments have a secretariat, department or ministry of veterans affairs.

Our department is strong, Mr. Speaker. Its budget this year nearly tops $600 million. This very simple fact shows clearly and eloquently the deep concern of the government for veterans affairs.

To conclude, Mr. Speaker, I want to repeat that I welcome any action aimed at improving the life conditions of my former brothers in arms. But I would like to see the members for Ottawa, among others, to speak up and present valuable arguments to convince me and my colleagues of the need to maintain these measures concerning veterans affairs.

Mr. Eudore Allard (Rimouski): Mr. Speaker, it is with pleasure that I take part in this debate on the motion put forward by the Progressive Conservative party.

It is obvious, Mr. Speaker, that the act referred to in this motion did not meet the legitimate aspirations of our brave soldiers. Naturally, an ill-conceived act is an obvious reason for nobody wanting to take advantage of it, to the point where Canadian veterans did little or nothing to avail themselves of the act. According to my calculations about 1 per cent of veterans saw fit to do so.

It is also obvious in these times, Mr. Speaker, that an amount of $18,000 is absolutely ridiculous when one considers that, because of taxes on building materials, prohibitive interest rates and inflation, the cost of construction nowadays is clearly too high to provide those brave soldiers with a decent house where they could spend the rest of their lives.

From a practical point of view, the act should be more comprehensive for those brave citizens most of whom gave up the nicer days of their youth and their dearest hopes in the madness of the last two wars.

Yet they had been given high hopes and promised a nice future upon their return. Unfortunately, faced with all sorts of obstacles, rebuffs and misunderstandings, they soon lost their illusions.

Judging from the speeches made by other members it seems there was an oversight in the act to provide those veterans with second mortgages while allowing them to build larger houses to accommodate a tenant in order to help them meet their obligations.

Furthermore, it seems the size of allocated lots was often out of proportion with the bylaws of municipalities or cities where they wanted to settle.

Of course it is quite difficult to draw practical conclusions from this motion since it does not bring anything new and simply perpetuates a situation which is absurd since the provision of the act is ineffective. The best evidence is that hardly one per cent of our veterans have taken advantage of this right.

Our government should certainly act in a more humanitarian way for all those brave citizens who are at grips with hardships resulting from the fact that they wanted to defend our freedoms. We suggest that the application of this legislation should be extended and the act amended to give more discretion and freedom to those concerned with veterans so as to satisfy their claims in the best and quickest way.

Let us not forget that the last amendments to the Veterans Land Act were made over thirty years ago. I believe that in 30 years, an individual or even a government is entitled to change his or its views to meet the requirements of the moment. It is obvious that thirty years ago, the veterans' needs were not the same as today. I think that this government should amend the act, maintain it and extend its application so as to do justice to all these brave soldiers who, as I said earlier, sacrificed their youth to defend our freedoms. We all know that nowadays, like most of our fellow citizens, they have difficulties finding a suitable shelter.

Mr. Speaker, I will conclude my comments and ask whether it would be possible to preserve the present act and to amend it not so as to spoil our veterans, but in such a way as to be more human towards their claims and to understand that these people have made many sacrifices. Most of them lost their lives on battlefields. I think that at the same time we should have a special thought for veterans' widows and children who often suffer from our lack of gratitude and appreciation.

In concluding, Mr. Speaker, I should like to say that I hope that every one of us will do his utmost to ensure that the amendment we shall bring to the act will satisfy all Canadian veterans.

● (1600)

[*English*]

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise to take part in this debate to present the views of the 11 Legion branches, and army, navy and air force units in my area. The motion is a short, direct one, simply calling for the extension of the March 31 deadline for the Veterans Land Act.

When beginning these remarks I would like to look back to 1917 when the then Prime Minister of Canada addressed the Canadian forces on the eve of the great battle of Vimy Ridge, during which Canada became a nation and her troops were recognized throughout the world. It was Sir Robert Borden, speaking to the troops on that occasion, who said:

> The government and the country will consider it their first duty to see that a proper appreciation of your effort and your courage is brought to the notice of your people at home.

He ended by saying:

> We will do these things so that no man will have just cause to reproach the government for having broken faith with the men who won and the men who died.

I believe those words, used in that situation, had the impact of a solemn obligation and sacred promise, not only to the veterans of world war I but to those of world war II and of the Korean war. Veterans throughout Canada, and indeed members of this House, are perturbed that the government seems bent on cutting back and ultimately phasing out the Department of Veterans Affairs. It is starting with the Veterans Land Act, and the cutoff date which is being debated today is one of the biggest steps towards the ultimate elimination of the work that act is able to do for the veterans of Canada. As I say, we are disturbed about this and so are the veterans.

The basic argument today is on whether or not to extend that deadline, and from it flows two things. If it is extended, then an extension can be sought of the ceiling with respect to grants given to veterans to build houses or buy property, to make that ceiling more realistic at the present time. The second factor related to this extension governs the lot size stipulated in the act, which is presently half an acre and which, under special conditions, can be reduced by 20 per cent. This could be modified so that veterans could take advantage of the VLA act to purchase city lots.

These two factors are the main reasons that many veterans have not come forward to take up contracts, even if they have been certified as being able to do so. When the minister says that very few veterans have come forward to take advantage of this program it is because of the discouragements and roadblocks that these two factors represent. The failure of the 150,000 veterans who established eligibility to take out loans is the direct result of these two major difficulties.

Pertaining to this date of March 31, 1974, we must remember there was the decision made first establishing a termination date of October 31, 1968 for qualifying for these loans. This date would also have to be altered if we can persuade the government to change the March 31 date. As envisaged, all lending under the VLA act will cease on March 31, 1977. I mention the lot size requirement and the ceiling because these, fundamentally, are tied in with the extension of this deadline.

● (1610)

That veterans are concerned about this issue is shown by correspondence which has come across the desks of all members of parliament. I will read one extract from one letter sent by a veteran who lives in Simcoe, Ontario. Mr. Wilfred Lauzon said in his letter:

> I am a pensioned veteran, drawing a disability pension and also a holder of a VLA contract. I am interested to see the deadline extended beyond the date of March 31/74 . . .

He said that he would like to see the loan ceiling raised as well. He then said that he had talked to other veterans who are interested in seeing the deadline extended, and that they had filled out the questionnaire which was referred to earlier this afternoon by the mover of the motion in his opening remarks. I commend the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)

for his speech and for the compelling arguments he raised for extending the deadline.

I think the minister and the officials of the Department of Veterans Affairs have argued on various occasions that we are merely making house lots available to veterans. When the Veterans Land Act was first passed it was meant to provide small holdings for veterans. This was to enable them to become part-time farmers. Some of them, no doubt, became full-time farmers. As I say, that may have been the original intent of the act. Conditions today are materially different from those existing at the time the act was first passed and when men first obtained benefits under it. We are now in a totally different ball game. I do not see any earthly reason why the Veterans Land Act cannot become a vehicle for providing a means of easing the housing shortage which is being felt across this country.

I could say more, but I do not want to repeat what has been said. I will conclude by telling the House why we, on my side, have moved the motion and why we think all members of the House will support it. First, if the deadline is not extended, 100,000 veterans will be denied their rights under the Veterans Land Act. I am speaking of those men who have been certified as eligible for benefits. Second, the act can become an important vehicle for fighting the acute housing shortage in this country. Third, the motion gives an opportunity to all members who so wish to participate in this debate and present arguments which may further convince the minister of the necessity of doing what we propose. Fourth, and equally important, by means of this motion we will strengthen the hand of the minister. Basically, I feel that if the minister alone had the power, he would decide in favour of doing what we ask. I know he has to persuade the other members of the cabinet that this is a good idea. I hope, as a result of our debate today and the arguments which have been and will be advanced, his hand will be strengthened when he is dealing with the other members of the cabinet, so that the government will see there is widespread support for the motion we are now proposing.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, having heard the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles), I suspect that they are as good as if the government had spoken. I suspect that it will only be a matter of hours before the minister tells the House that he agrees with the motion introduced by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). I cannot bring myself to believe that the hon. member for Winnipeg North Centre would have gone that far out on a limb in expressing his own opinions and risking the defeat of the government.

Mr. Knowles (Winnipeg North Centre): Don't be too sure.

Mr. Wagner: It is with considerable pride that I participate in this debate. I begin by congratulating the hon. member for Humber-St. George's-St. Barbe for the motion which he introduced earlier.

[*Translation*]

This motion is put before the House at the right time because it is aimed at getting justice for those who served their country. Personally I have not had the privilege of serving in the armed forces; this is why I try to compensate by serving in politics, although it is perhaps not comparable. I would like to say, Mr. Speaker, that I often have the opportunity, in my constituency and particularly in Saint-Hyacinthe and Ottoburn Park, to meet members of the Canadian Legion and appreciate what they do in the community and their activities.

• (1620)

I am proud to pay tribute to them in this debate and to underline to what extent their contribution is necessary to the progress of Canadian society.

I take part in the debate at this moment because the most elementary fairness requires the extension of the deadline under the act, in order to enable those who fall under its jurisdiction to defend their rights.

To begin with, Mr. Speaker, it is a question of gratitude from the Canadian people and particularly from parliamentarians towards veterans. We must remember—and not only on Remembrance Day when with much noise and pomp we pay tribute to those who gave their lives and made tremendous sacrifices to protect their country. This memory must be externalized, manifested, translated in to acts and gestures which have significantly more value and meaning than the words that can be said in front of a memorial each year in November.

I recall that I was deeply moved last year when listening in this House to the hon. member for Humber-St. George's-St. Barbe on the 29th anniversary of D Day. We were then paying tribute to our soldiers who took part in the allied landing in Normandy. Veterans remember the events that took place on French beaches 29 years ago and they remember their brothers in arms who fell at their sides, those who were not fortunate enough to come back to Canada and reap the benefits offered by as prosperous and promising a country as ours.

It is significant, Mr. Speaker, that we should have to recall that 29 years ago that crusade was being undertaken in the name of national unity and that nowadays national unity is still the main objective, an issue from one end of this country to another, the objective we are trying to achieve through our speeches as well as our legislative measures. But alas, we do not realize that this country has grown up and that we owe it to thousands of our young fellow citizens, including a good many—and I am privileged to sit next to them—who are members in this House. As volunteers in 1939 and 1945 they went to fight for their country to protect Canada and the free world against other nations' voracity and thirst for power. They fought together irrespective of race, religion, colour or origin. They fought together as Canadian citizens.

Mr. Speaker, we can keep on building a still more splendid country if we take the trouble to look back on the past and draw our inspiration from that spirit of comradeship created among our veterans through the suffering they shared on battle fields, a comradeship that will stay at the bottom of their heart for the rest of their life. We must think of that today. We must remember those fellow citizens of ours who lie in a foreign land because they performed their duty.

We must remember those veterans who came back after carrying out their duties, crippled or disabled, and who defend upon help. We must not forget our responsibilities to those veterans who have fought for our freedom to govern and build a proud, prosperous and peace-loving Canada where Canadians can hopefully live in a climate of unity.

However, Mr. Speaker, it is more than a spirit of remembrance or a feeling of gratitude which compels me to take part in this debate. It is also a sense of justice towards our veterans who are entitled to proper living conditions and accommodations and, like any other Canadian, to the benefits provided for them in the legislation.

I am aware that the department concerned tried to explain why such a large number of veterans did not ask for these benefits, indicating that they had merely asked for eligibility certificate before October 1968, in case they should want to apply for a loan later.

Mr. Speaker, there may very well be some cases of that type but judging by the number of letters and complaints addressed to us, and I know that all members could say the same, the Veterans Land Act is still behind the times and not in keeping with the present conditions, in spite of numerous amendments made over the years.

Let us go quickly into the matter a little deeper without any claim to expertise on my part for the reasons that I gave from the outset. For instance, under the provisions of Part II of the Veterans Land Act, veterans may borrow up to $18,000.

We know, Mr. Speaker, that it is impossible to build a house for $18,000. One can hardly have a basement built for this amount. If the act had been amended so as to keep up with inflationary costs, thousands of veterans would be now taking advantage of their rights.

But there is an even more serious limitation and it is that related to the lot, namely the requirement for half an acre. In some cases, this figure can be reduced by 20 per cent. As everyone knows, Mr. Speaker, when planning to build a house—veterans are not alone in this situation; it is the same for all Canadians—the price of lots is so high today that it is impossible for a man to provide a house for his family.

In this area, the government has unfortunately been unable to adjust to the situation, and this at the expense of veterans. As concerns the deadline of October 1, 1968, for housing, it is difficult for me to understand the uncompromising attitude of the department in stating that every veteran had the opportunity to apply before that date. The minister is well aware that many veterans did not know about the deadline for reasons beyond their control and now have their rights denied under this charge. This is true even though the minister pretends that everyone was aware of the situation. If there ever was a time when it became imperative to put off the deadline for housing entitlement, it is right now when the housing shortage has never been so critical in Canada. Despite all its improvements the National Housing Act today cannot meet the needs of low-income people. Under the Veterans Land Act we are in a position to cope with the needs of thousands of Canadian veterans to whom the government has made a pledge years ago when the prime minister of the day stated in 1917—a long time ago, Mr. Speaker—that no Canadian would ever say that the government was not honouring its obligation towards the veterans who had served their country.

● (1630)

Today, we may wonder whether the government is not repudiating the undertaking pledged in 1917? Is it being ignored? If they want to, the government can remove the deadline, for there are still a few days left until March 31.

In the light of all the speeches delivered in this House and the fact that hon. members have expressed their unanimous wish that it be done, the government would be justified in removing this deadline by means of a piece of legislation that could be introduced within a few days. The loan ceiling could be raised and the requirements relating to land could be watered down. The government could also remove all restrictions with regard to deadlines. I am sure this position is appreciated by the minister for whom we have the greatest respect since we consider him as one of our great heroes, one of the most distinguished citizens of Canada. I am sure he will understand why we so earnestly want valiant veterans like him to be able today to count on the generosity and the sense of justice of the government toward them.

Mr. Speaker, mine is a very modest voice you have just heard. I trust the minister will hear our plea, and the government act towards the veterans as they did for the government, in a spirit of utmost generosity.

Mr. Béchard: Would the hon. member allow me a question?

Mr. Wagner: Yes, Mr. Speaker.

Mr. Béchard: The hon. member for Saint-Hyacinthe, in his peroration, wondered a while ago whether this government, by respecting the March 31, 1974 limit, was going to go back on the promises made by the Canadian government in 1917.

Here is my question: Does he consider that the Progressive Conservative government of 1958 to 1963 was reneging on the commitments of the Canadian government when, in 1959, it set, for the first time, the time limit to September 30, 1962?

Mr. Wagner: Mr. Speaker, that question coming from the hon. member for Bonaventure-Îles de la Madeleine does not surprise me. As for me, in my speech, I tried to avoid petty politics because I consider the subject too important to all Canadians for anyone to discuss it with a narrow-minded and biased attitude—

[*English*]

Mr. J. A. Jerome (Sudbury): Mr. Speaker, it is naturally with considerable trepidation that I enter this debate. There are many in the House who had the honour to serve their country in the armed forces during the war. There are others of us who were of too tender an age to be eligible for service, and who have enjoyed the luxury of being defended by those gallant troops without ever having to don uniforms ourselves.

I suppose it can be said, quite rightly, that only those who endured that struggle can understand the nature and extent of the sacrifice entailed by those who left their families and their homes, those who answered the call to combat in the service of their country, particularly in a war which initially was not of our own making but rather, a summons to defend our allies, which probably makes the sacrifice even more acute.

It is with this mind that I take part in the debate. While I defer to those who actually saw service, I have always been extremely conscious of the fact that I was able to grow up free of fear and danger because of the tremendous sacrifice made by those who did answer the call. To them, I, and members of my family, owe a debt of gratitude which we can never repay, and which no government can repay, notwithstanding whatever generosity we may show to these veterans.

I trust hon. members will bear this in mind when I say the reason I enter into this debate is that I believe the use of the motion before us, presented and worded as it is, on an opposition day, after we have just concluded eight days of debate on the Speech from the Throne, during which the opposition had any number of opportunities to discuss whatever subject it wanted to discuss—indeed, the minister was a participant in that debate, and the question could have been raised at that time—

An hon. Member: You are wasting time.

Mr. Jerome: Bearing in mind, too, that the estimates of the department will be before the standing committee later this week and next week, at which time all members would have an opportunity to appear—

Mr. Alexander: You are wasting time.

Mr. Jerome: In answer to the catcalls from across the way, I say the reason you should listen with a little shame to what I have to say is obvious. The use of a motion worded in this way does nothing more than justify the worst fears and the worst criticisms expressed by members of the public who come to watch the proceedings of this House. It turns this chamber into nothing more than a playground for political games.

Some hon. Members: Hear, hear!

Mr. Baldwin: On a point of order, Mr. Speaker. The hon. member is sufficiently aware of the rules to know he is not allowed to make comments of that kind particularly in the light of the fact that he, together with members of his party on November 9, 1973, voted unanimously against a motion of this kind. That is why we were compelled to take the action we have taken today.

Some hon. Members: Hear, hear!

Mr. Jerome: The hon. member for Peace River (Mr. Baldwin) knows perfectly well why he raised that point of order. It was in response to the fact that we have struck a sensitive nerve. It is as simple as that. The motion before us amounts to a motion of non-confidence in the government. This afternoon the House has to consider whether the country ought to be deprived of a parliament, whether the government should fall and an election be held to constitute a new parliament. What are the terms of the motion which would bring all this about? They are that the Minister of Veterans Affairs (Mr. MacDonald) ought to give consideration to extending the March 31 deadline.

There is not a member opposite who seriously believes that the Minister of Veterans Affairs has not, in fact, been giving active consideration to this question every day, and that he will not continue to do so. Is it seriously pretended that the effect of this motion, if passed, would be that the minister would begin to consider this question? Is it being advanced, in short, as a serious motion?

An hon. Member: Get to the point!

Mr. Jerome: My point is that there can be only one purpose for such a motion as this. Not long ago, a motion was put forward by the New Democrats under Standing Order 43 asking the minister to consider extending this deadline. The wording of that motion was almost identical to that of the motion now before us. The House knows that it is the habit of the government to refuse such motions, not on the ground of their merits or demerits but because of a procedural difficulty. If they were accepted the business arranged for the House would have to be set aside.

Mr. Lambert (Edmonton West): Nonsense!

Mr. Jerome: For that reason, motions under Standing Order 43 are usually turned down by this side of the House. It is only the most exceptional motion which receives unanimous consent. And this was one of them. Yet notwithstanding all this, the official opposition has put forward the motion that consideration should be given by the minister to the question of this deadline. What is the real reason behind it? Is it concern for the veterans, a genuine concern for their well-being? Not for one moment. The real reason is to try to trap the New Democrats on the basis of the motion put forward earlier by that party so that the opposition can go to the electorate in an attempt to take office, something they have been trying to do ever since they got here. They will never succeed in doing it by this kind of cheap political sham.

• (1640)

Mr. Nielsen: How are you going to vote?

Mr. Jerome: Mr. Speaker, the reason that—

Mr. Alexander: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Hamilton West is rising on a point of order.

Mr. Alexander: Mr. Speaker, I have been sitting here and becoming impatient as the minutes have passed. I thought that this was a very important and serious debate concerning the veterans of this country, but if my memory serves me correctly the hon. member has not mentioned the veterans at all. All he is attempting to do is to chastise the opposition for doing what they have every right to do on an opposition day.

I hope that the hon. member, for whom I have a great deal of respect, will discontinue his senseless, partisan remarks and get down to the meat of the motion, which is calling for an extension of the March 31 deadline. I

respectfully submit, Mr. Speaker, that the hon. member, for whom, as I have said, I have a great deal of respect, has not addressed himself to this motion in any respect at all. If we are to have some sort of order in this chamber I think it is high time, with respect, that Your Honour intervened and put the hon. member back on the right path.

Mr. Deputy Speaker: The hon. member has raised a point that is properly raised by way of debate but not properly raised by way of a point of order. There will be ample opportunity for some kind of response to be made, if response is felt to be necessary, to his remarks. The hon. member for Sudbury has been speaking within the rules of order. The hon. member for Sudbury has the floor.

Mr. Jerome: Thank you, Mr. Speaker.

Mr. Alexander: Get down to something relevant.

Mr. Jerome: The relevance relates to the comment that brought the hon. member to his feet. He knew very well that he was not raising a point of order but a point of debate. He will have his chance to get into the debate, as will his colleagues. The politics of this matter are more than relevant, I think, because it has been a very rare occasion, as I understand it, in the history of the House when veterans affairs—as a matter of fact, I am informed there is almost no precedent for this—has been used in the political way it has been used today. I think that that is a valid comment and that it should be made.

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

Mr. Deputy Speaker: The hon. member for Yukon is rising on a question of privilege.

Mr. Nielsen: Mr. Speaker, what I think the hon. member is doing is casting personal reflections on the characters of members of this House who are veterans, and this includes myself.

Some hon. Members: Hear, hear!

Mr. Nielsen: Neither I nor any other veteran on this side of the House is going to listen to that kind of canard. The veterans on this side feel the hon. member is making a personal reflection on their own characters and they categorically deny the insinuations of the hon. member, who is the first hon. member in this debate to have injected this kind of disgusting flavour to the debate.

Mr. Jerome: I do not care if I am the first speaker to inject this note into the debate, Mr. Speaker. The facts are right in front of me and I cannot ignore them. I think we should know what the facts are if we are going to hear all these comments.

Mr. Nielsen: Mr. Speaker, you did not rule on the question of privilege that I raised. The hon. member has compounded the error of his ways by asserting that we veteran members on this side are associated with political motivation in the bringing of this motion. I submit that that is a personal reflection on veterans on this side of the House and I would ask you, sir, to direct the hon. member to desist. It is most undesirable to inject this kind of attitude into this debate, and it should not be done.

Mr. Deputy Speaker: The Chair realizes that the subject of the debate this afternoon is going to be one that will generate some considerable heat, but there will be opportunities for members on all sides to express their points of view. I think it has been the accepted practice in the House that a member can, in a general way, try to determine why certain motions, certain legislation, certain spending programs, all of the items that we as parliamentarians consider in this chamber, are being presented to us. I appreciate there is considerable emotion in the debate, but, as I say, there will be an opportunity for each side to have its say in the matter.

When the hon. member for Sudbury has completed his remarks, his point of view may be met with equally strong vigour by some other member. I cannot find that the hon. member has raised a question of privilege or that I should make any direction to the hon. member for Sudbury.

Mr. Jerome: Thank you, Mr. Speaker, I am grateful for your ruling. It is true that we sit in this chamber as elected members of the House without regard for our personal backgrounds, our race, religion, creed, colour or otherwise. We are all equal members of the House and entitled to comment. I have specifically tried to set out the fact that I recognize that a debt of gratitude is due those who did don uniform—I am one of those who did not—for enabling us to raise our families in peace in this country through the service they rendered.

The nature of the legislation relating to the Department of Veterans Affairs, and specifically the Veterans Land Act, the re-establishment program, the program of educational credits extended to veterans and so on, is well known and understood, I believe, by all Canadians. When men are in the trenches we cannot compensate them with dollars and cents or with paying them an hourly wage, so the least we can do for them is to offer them some programs when they come home that will enable them to become re-established in society. Many thousands of veterans took advantage of the re-establishment programs, the educational retraining program and many other programs. In addition, they also took advantage of the benefits conferred under the Veterans Land Act, which recognized that we owed it to the veterans, as a prior right, to assist them with our tax dollars to establish a homestead.

Even the veterans pensions are based on a different premise from other pension legislation. Veterans pensions are quite different from any other kind of social welfare legislation that we have, and are in repayment of a debt of gratitude that we can never adequately repay. I think the nature and background of that legislation is very well and very widely understood. Bearing that in mind, I think we must accept the fact that the intent of the legislation which in 1968 put a deadline on the Veterans Land Act, legislation which was fully debated in this House at the time, was legislation that was also well understood. Some 25 years had elapsed since the end of the war, and most of the veterans who were to take advantage of the legislation had probably opted for it by that time. It seemed that in the interests of fiscal orderliness, to say the least, the time

had come when we should look to a date when the books could be closed.

As I say, this proposal was put forward in the House in 1968 and was widely debated. There was no opposition in principle at that time to the concept that the books should be brought to a close in a reasonable and orderly way so that the country could understand just what the outstanding obligation was, and what were its dimensions. Thus, the program was entered into and veterans were invited to enrol and to qualify themselves for a certificate entitling them to any benefits that were outstanding. The program was well advertised and information about it was widely distributed in the press and through the radio. There was a high level of understanding throughout the country in 1968 of this deadline date. Any veterans organization today would be able to verify that. The veterans were made very well aware of the importance of that qualifying date, and it was advertised far enough in advance. Again, I suggest that the spirit of that legislation was not challenged.

● (1650)

What then is the nature of the problem today? The nature of the problem is that in spite of understanding the nature of veterans benefit legislation and recognizing its merits, and also recognizing the wisdom of endeavouring at one point in our history to close the books on the benefits to World War II veterans, we have arrived at a stage today where, perhaps in isolated instances, there may be hardships to veterans. I speak with some personal knowledge of that because I can tell you there are a number of veterans in Sudbury, whom I represent, who found themselves in 1968 living in company houses owned by the International Nickel Company or Falconbridge Nickel Mines. They knew that as long as they worked for these companies they could continue to rent these houses at very reasonable rates, but never for one moment did they visualize that these houses would be offered to them for sale or, if the houses were offered for sale, that the Veterans Land Act would be of any benefit to them. Perhaps this was because the houses are very small on very small lots and would never have qualified under the program in any case.

However, both situations have changed. Therefore, there are a number of veterans about whom I have been making representations to the minister, and about whom I intend to continue to make representations, who have found themselves in a difficult position. Knowing in 1968, and I think this is the key, that a deadline had been set beyond which the provisions of the legislation would not be applicable, they did not apply for their certificates of qualification because they could not visualize these circumstances which have changed so drastically in the intervening five years. If these veterans, some 70 or 80 of them in Sudbury, could not visualize these changed circumstances in that rather short period of time, then is it not perfectly understandable that the drafters of this legislation could not envisage these changed circumstances?

Is it not, therefore, understandable that a law which was properly conceived, debated and enacted containing a deadline which was properly advertised and under which every veteran was given a proper opportunity to qualify, may yet, despite every precaution, cause some veterans to regret today the fact they did not apply for certificates of qualification? There are others, of course, who did apply who find themselves in a position where they cannot make application by March 31 for a specific piece of property, which is what the deadline requires.

We are dealing with a small number of people and, indeed, a different kind of situation from that of the hardship which might exist under a piece of social legislation. If there is any hardship at all to the veteran and any way to counteract it to help those veterans who served this country, by somehow extending the provisions of this act or simply through straightforward generosity under a new piece of legislation, I am sure every member on both sides of this House would want to see to it that this is done.

I know the minister, whose record of service during the war is almost legend, which I think can be challenged by no one either inside or outside this House, is one who is keenly aware of the situation. Be that as it may, the circumstances surrounding the introduction of this legislation in 1968, which imposes this March 31 deadline, made it good legislation. The reason I entered this debate was to say that if circumstances come to light which indicate that a single veteran has been aggrieved, even though that may be the result of his own actions, we have to recognize that we can never adequately repay him. If there is any way that the Cabinet can be persuaded at any time to somehow extend to that veteran some kind of a privilege, whether by new legislation or by interpretation of the old legislation, that is something we must always do.

Be that as it may, we do have to proceed in an orderly way to keep the books in respect of the extended dimensions of these applications so that we can run this department in an orderly way. I am about to conclude now, Mr. Speaker.

Mr. Deputy Speaker: I hesitate to interrupt the hon. member, and I have given him extra time because of certain interventions, but his time really has expired. Unless there is unanimous consent I must recognize another hon. member.

Some hon. Members: No.

Mr. Deputy Speaker: There is not unanimity.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I was quite amazed when listening to the hon. member for Sudbury (Mr. Jerome), who has just resumed his place, at the vehement manner in which he attacked the very straightforward and simple resolution before the House this afternoon. As I understand it, the purpose of this motion is to guarantee the rights to at least 100,000 veterans in Canada who will be denied them unless prompt and emergent action is taken to extend the deadline under the Veterans Land Act, which is to be phased out on March 31, just some two weeks away.

This motion has been put forward, as demonstrated by other speakers this afternoon, because there was a unanimous agreement in the House to a motion under Standing Order 43 that the government take action to this effect. The hon. member for Winnipeg North Centre (Mr.

Knowles) praised the official opposition for bringing this motion before the House this afternoon. Therefore, I find it incomprehensible that the hon. member for Sudbury should impute political motives.

Surely it is not playing politics to express a desire on the part of members, particularly those who are veterans, that veterans' rights should be extended as expressed by a unanimous decision last November. That was not only the will of parliament, I am sure it was and is the will of the people of Canada. I say that because during my experience in the House of Commons the veterans charter is one piece of legislation that has received unanimous support from all sides of the House. I do not think it is stretching the imagination too far to suggest that the veterans' charter is regarded almost with the same sanctity as the Magna Carta in another context.

It has been my experience with successive governments that they have not only honoured the letter of the law as it was laid down under the veterans' charter, but have gone out of their way to make certain that the charter should also embrace the spirit of the law. Therefore, it is passing strange to me that we should find it necessary as members of parliament to force this government for the first time into action in this regard.

The purpose of the motion this afternoon is to force the government into action in respect of extending this legislation. In my experience, which now covers several governments since 1951, this is the first time that pressure of this kind has been necessary to get government action. I know that hon. members will stand in their places and praise the contributions of the men who served in World War II and during the Korean conflict which has added so much to the greatness of this nation. Some government spokesmen have already indicated the improvements which have been made to the veterans charter by this present administration, but I should point out that those improvements were again made under pressure.

● (1700)

Hitherto governments have always automatically reviewed the veterans charter in order to bring it up to date and meet changing circumstances. I think the main point behind this motion this afternoon is to indicate to the government that we feel the time has come to make a further change in the Veterans Land Act so as to bring it into line with the drastic change which has taken place, for example, in the housing situation in this country. Who could have anticipated five years ago that the cost of housing would be such that it would be prohibitive not only for veterans but for almost every other category of Canadian to have suitable housing over their heads? This is why pressure has been brought to bear in this country and in the Parliament of Canada to get the government to recognize that this change has occurred. It would appear there is unanimous support for this motion at least on this side of the House. I am hopeful that there will be the same unanimity on the government side of the House before this debate is concluded.

The hon. member for Labelle (Mr. Dupras) suggested that the amendment was unnecessary because veterans are getting older. We are already age 55 and above. I was surprised that the minister in his speech in the House on March 7 took somewhat the same line when he emphasized that the need for the rehabilitation of our veteran population has now passed. I suggest this is the sort of attitude that has downgraded the benefit of doubt clause which is one of the basic rights of veterans of Canada.

In addition to discussion on the matter of extending the VLA deadline beyond March 31 of this year from time to time we hear the suggestion mentioned in this House that there is a backlog of pension applications amounting to 9,000 or 10,000. This is because the government does not give the benefit of doubt automatically to the veteran. This benefit of doubt has been one of the major rights and privileges of the veterans of Canada.

I suggest too, that to say that the need for continuing the rehabilitation program for veterans has now passed is flying in the face of the spirit of the War Veterans Allowance Act, known as the "burnt out pension". This was not contained in the original veterans charter. It came into being because it was recognized that the veterans of Canada who had served in the front line trenches and had suffered the hardships of front-line service as a result of premature aging were suffering from disabilities which were not obvious in terms of specific injury incurred in service.

This legislation was brought in to ensure that no veteran who had served his country with distinction would be denied the sustenance of life. This is the reason Parliament enacted the War Veterans Allowance Act. I suggest the same spirit is being extended under the motion we are debating here this afternoon. I do not doubt that the minister is in support of this measure. I am waiting anxiously to hear him speak in this debate. He was half-way to his feet a short time ago. I do not know why he has hesitated to take the floor. I wish he had spoken before the hon. member for Sudbury (Mr. Jerome) introduced the political overtones into the debate this afternoon. I am hoping that the minister who is a distinguished veteran will speak on behalf of the government this afternoon and indicate that this also is the viewpoint of the government. This is the only interpretation we can get from the unanimous vote of last November under Standing Order 43. Obviously the minister is having difficulty persuading his colleagues on this point. There are not too many of them in the House this afternoon which indicates there is not a profound interest in that fundamental right of the veterans in this regard.

I say to the minister that when one looks at the cost of a program of this kind and places it alongside the astronomical expenditures contained in the budget of the government one sees that this is indeed a small expenditure. Why should the program be phased out now? There is a housing shortage. There is inflation and there are rising costs. Rather than phasing out this program I would suggest to the government and the minister that they should be going through the procedure that has always been the practice of government of amending the Veterans Land Act in order to bring it in line with the present economic and financial circumstances which prevail in Canada. Basic to this and because the deadline is imminent should be the renewal of the 1968 and 1974 deadlines. We might even introduce a measure, because of the present crisis in housing, to provide for the rehabilitation of existing veter-

ans' homes to make sure that the veterans are adequately housed in the face of exorbitantly rising costs. Obviously there should be an increased ceiling because there has been no change in that regard in almost a decade.

The regulations in respect of a lot should be made compatible with the regulations of Central Mortgage and Housing Corporation. Instead of moving in to restrict the rights of the veterans in this regard the government and the minister should be making the changes some of which I have suggested this afternoon. What is happening in respect of some 150,000 veterans who have not taken advantage of the Veterans Land Act? They are forced into panic buying under coercion as a result of the deadline. This is one of the points that is made in the letters I receive. The suggestion is made that the veterans will become involved in binding financial obligations which rather than being of assistance will result in a financial albatross around their necks because they are being panicked into making a decision because of the deadline that is being imposed. The "old sweats" are reaching retirement age. The hon. member for Labelle pointed this out. Why should they be denied the right to have a home in their declining years? This was one of the purposes of the Veterans Land Act. While they may not return to the farm and become full-time farmers or perhaps even farmers occupying a small farm holding, I am sure hon. members will agree that the need for housing has increased manifold because of the housing crisis which is all too obvious today.

One hon. member directed a question to the hon. member for St. Hyacinthe (Mr. Wagner) concerning changes made in 1959 by another government. That was in line with the necessity to streamline the legislation because it was realized that the demand in respect of the VLA provisions concerning farming and small farm holdings was lessening as the veteran population became older. But at the time those amendments were made, it was recognized that there was a need for housing facilities and accommodation and for lots that would make it possible for the veterans to be adequately housed in their declining years. There was a unanimous vote under Standing Order 43. Parliament has expressed its will. The people of Canada will express their will in no uncertain terms on this matter unless the government is inclined to accept the motion that is before the House today.

● (1710)

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, as I rise to participate in this debate I must say I welcome the opportunity and I want to state at the start that I feel for, and understand the needs of, veterans as well as anyone in the House or outside of it.

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): I certainly do not intend to turn a deaf ear to the veterans, neither do I intend to take second place to anyone in looking after the needs of veterans. I have spent my last year as minister and a portion of the previous one with veterans, dealing with them. I think this House and this country are well aware of some of the many measures that were implemented and put in place in that time.

[Mr. Dinsdale.]

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): One of the many things I have done was to visit the war graves of our dead in Europe and to contact many of their loved ones, the survivors in this country. This brought back vividly to me the sufferings and the trials that those veterans of ours, ladies and gentlemen, did suffer a good number of years ago.

The motion before the House today asks that the government consider the possibility of extending the March 31 deadline for qualified veterans to apply under the Veterans Land Act. In case there should be any doubt left in somebody's mind, I wish to emphasize at the outset that I am quite prepared to give such an undertaking right now.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Is that just to consider it?

Mr. MacDonald (Cardigan): For many months now, together with the officials of my department, I have studied very closely the possible implications of such an extension. I can assure you that, although, as I stated in the House last week, I carefully considered all relevant representations and data including that provided by the Royal Canadian Legion, nevertheless I wish to further emphasize that I am quite prepared to take another look at this whole question in light of the plea made today. If, after looking at all the evidence, I can conclude that the deadline should be extended, then I would be prepared to so recommend.

In my remarks in the House last week, I pointed out many of the advantages that the VLA program had provided to veterans since the end of world war II. I do not think it is necessary for me today to repeat those facts and those arguments. Many of them have been reiterated already.

However, I wish to point out to all hon. members that since becoming Minister of Veterans Affairs over a year ago, I have made it quite clear to all veterans across this country that I was their representative in the federal government and that I intended to speak on their behalf and in their best interest. I certainly intend to continue to live up to that commitment.

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): Those of us who came back after world war II, and who needed some help to get re-established in civilian life, were quite fortunate in obtaining such assistance from the Canadian government. It has been made abundantly clear on many occasions that the federal government does intend to live up to the commitment it made to those who went overseas to fight in the defence of freedom. As Minister of Veterans Affairs, and as a veteran, I wish to assure hon. members as well as my comrades across this country that this government intends to continue to live up to its commitments to all veterans.

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): There is one further point I should like to make. Although the motion now under consideration refers only to the Veterans Land Act, it could be read as suggesting that the government's concern for veterans is lessening. If any hon members read any such implication into the motion, let me assure them that it is wide of the mark. In my speech in the House last Thursday I mentioned that Bill C-148, passed last March, authorized a 25 per cent increase in war veterans allowance rates and ceilings for single recipients and a 28 per cent increase for the married recipients. In addition, Bill C-202, passed last June, provided an increase of 24 per cent in basic rates under the Pension Act. Let me also remind honorable members that the recently tabled estimates of the Department of Veterans Affairs for 1974-75 amounts to $597 million as compared with $480 million in the main estimates for the current year. This indicates clearly that the government's commitment to veterans is not reducing but is growing.

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): Since this motion has been brought forward, I am certainly glad to listen to the discussions today. In the light of these discussions, I will be happy to consider the whole matter again and to make a recommendation to the government.

Some hon. Members: Hear, hear!

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, as a predecessor of the minister in the important post of veterans affairs, albeit it was a very short period for me 12 years ago, I want to say first of all that no side of this House can claim a monopoly on concern for servicemen. All I will say at the start is that today there are far less ex-servicemen in this House than there were, say, 10 years ago. The calendar took care of that. However, I make nothing of that, with the exception—and I am sure I am joined here by the minister—that there are members in the House who, when this legislation was brought into effect, were but a gleam in their father's eye, while others as very young members of veterans families were housed or taken care of under the Veterans Land Act in its early years. To that extent I think they have the same sort of obligation and concern about the whole subject. I regret that we have had to take the step of using an opposition day provided for by the rules under which there is to be a vote because of the urgency of the March 31 next deadline.

● (1720)

There are 14 working days left before the expiry of this deadline which says that veterans, qualified by notice in 1968, must complete their applications. That is to say, in many instances they must have title to the land in their hands before they can complete their applications. Unfortunately, I have heard reports from some of them that they are finding an extraordinary working-to-rule in some VLA offices with regard to this matter. I hope those reports are wrong, because I think this House would severely castigate any officials of VLA who in any way dragged their feet in order to have this deadline pass and applications thus disqualified.

As I say, I hope those reports are wrong, but I have heard them. They are in the minds of many veterans. I have had telephone call about these reports.

An hon. Member: How many, Marcel?

Mr. Lambert (Edmonton West): I have had at least half a dozen call me, and that was in the last few weeks. I have done my best to allay their fears because that has not been my experience with VLA officials. I know a lot of them, and I believe they would be the last ones to do that. But somehow this impression has gotten out. There is this difficulty.

The minister says that he promises to consider the matter. Gracious me, Mr. Speaker, I could send him a letter every day, repeating the letters I have sent him over the past year and a half on this subject, and he would still be considering it. That would not do a damned thing for a veteran who was otherwise qualified. I regret I must say to the minister that I think his words this afternoon were empty in so far as they were directed to the purpose of this motion. This motion says—

Mr. Lewis: It asks for consideration. Read the motion.

Mr. Lambert (Edmonton West):

This House regrets that the government has not extended . . . and calls upon the government . . . to take immediate steps—

I mean:

—to consider taking immediate steps—

Mr. Lewis: To consider taking immediate steps!

Mr. Lambert (Edmonton West): All right, but the minister has not given that undertaking. This was not in keeping with the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Railton: The minister has considered it.

Mr. Lambert (Edmonton West): The minister regrets, too, that the extension has not been given.

Mr. Railton: Read his speech again.

Mr. Lambert (Edmonton West): If you want consideration I will put on the record a letter written to me by the minister on January 17, in which he puts this aside again.

Mr. Railton: This is March 12.

Mr. Dinsdale: And no action.

Mr. Lambert (Edmonton West): Is this the conversion of Saul on the road to Damascus, I ask the hon. and gallant member for Welland (Mr. Railton)?

Mr. Railton: I saw a great light. It's too bad you couldn't see it.

Mr. Lambert (Edmonton West): It is remarkable. We are now going to get a conversion. I am not going to be satisfied with the minister on April 1 when he may be able to stand up here and say, "April fool. I have considered it, and I do not wish to extend the deadline."

The Acting Speaker (Mr. Laniel): Order, please. Is the minister rising on a point of order?

Mr. MacDonald (Cardigan): I would just like to ask the member a question. He is quoting letters I wrote before I made my statement in the House. I say to him: Sir, if you with your experience in the House cannot quote something better than "April fool" then I suggest you had better smarten up.

Mr. Lambert (Edmonton West): I really appreciate the minister's point of order. Here is his letter of January 17, addressed to me:

I refer to your letter to me of December 4, 1973, in which you requested that further consideration be given to extending the March 31, 1974 deadline for veterans to apply for establishment under the Veterans Land Act.

Similar representations were made by Mr. Jack Marshall, M.P., in the House on November 6 and December 4, 1973. I assure you my reply on each occasion reflected the conclusion reached after giving careful consideration to the matter—and I believe there is little to add to my remarks reported, respectively, at pages 7605 and 8423 of Hansard.

I think it is inevitable that, with respect to any terminal date, there will always be some who will find it inconvenient or impractical. We are dealing here, however, with a land settlement program which, like the other two measures that were alternative to it, was intended to assist in the rehabilitation of veterans following the completion of wartime active service rather than on retirement from post-war occupations or careers.

By March 31 next almost thirty years will have elapsed since the end of World War II. Relating this period to the intent and purpose of the act, and having regard for the arrangements that have been in effect for a number of years to facilitate the establishment of veterans still serving in the forces, I cannot help but feel that all veterans interested in land settlement assistance have had ample time in which to apply.

I appreciate your interest in this matter and regret that I am not convinced the deadlines established by Parliament nine years ago for phasing out VLA lending operations in a reasonable manner warrant alteration today.

That was less than two months ago. I have other letters from the minister's predecessor which are to the same effect, and which indicate that there has been a hardened attitude in the department, indicating that there will not be any budging on this point.

I have heard similar undertakings regarding further consideration with respect to non-resident war veterans and the war veterans allowance. The government was going to give consideration to them, serious and favourable consideration, year after year. Where are those men today? They are in the same position they were in three and four years ago. That is how much flexibility there is with respect to this matter. It hurts me to say this.

An hon. Member: You are bleeding.

Mr. Lambert (Edmonton West): The hon. member says I am bleeding. When we are talking about veterans affairs let us consider what the veteran did. I am no professional veteran, Mr. Speaker, but some people seem to have forgotten, if they ever knew, that there is an undertaking, and it is not a terminal undertaking.

There is no terminal undertaking about the rehabilitation of a veteran, whether it be five years or ten years. The 22 year old veteran parachuter in Korea—where is he today? He still has years of service left in Canada's armed forces. Is it the thought that those men should have gotten out of the forces? My God, if those veterans of World War II and Korea had gotten out of the armed forces we would perhaps have a bare 30,000 men today, and I am not sure that that might not meet the approval of some hon. members opposite.

The fact remains that those men have as much entitlement as I have, or had. They have as much entitlement as any other man who was qualified fully for entitlement. They did not put any terminal date on service to their country. They did not put a terminal date on their exposure to danger on behalf of their country. Why should we? Why should this be done for administrative and tidying-up reasons? We are told that this is a phasing-out program. It did not change ceilings on mortgages. We are completely unrealistic today in asking a veteran in an urban community to buy half an acre of land. What silly, damn-fool nonsense is that? Land values being what they are, most veterans cannot even begin to make the down payment on land today.

● (1730)

Incidentally, there are close to 100,000 men who were qualified in 1968. Their applications have to be approved or not as of March 31, 1974, and they may not qualify. There can be no mortgage disbursements beyond 1977, but there are scores and scores of veterans who will not come out of the service until 1976 or 1977. Who among us will tell a man who was 22 or 23 when he was in Korea, "I am sorry, but Canada's undertaking to you has been statute-barred. We have barred, by the statute of limitations, your entitlement which was unrestricted as declared because you served your country. We are now going to impose this statute of limitations"? All I can say to such a suggestion, Mr. Speaker, is "Shame". There is not one administrative argument that is valid, even if only a dozen men have entitlement.

I know what government administration is involved. I have been around here for a long time. But, Mr. Speaker, consider the rights of these men. Should we in the first instance have told them, "You are subject to limited gratitude, with a time expiry, and even though you have served your country with continuous service we are going to deprive you of those rights"? There is no way I can accept that and there is no way the great majority of Canadians will accept it.

The hon. member for Winnipeg North Centre was eloquent in outlining the undertaking. Other hon. members have read it into the record. The Canadian Corps, the Royal Canadian Legion, countless letters that members receive, as well as veterans who have made personal representations, all say that this deadline should be extended. I would have hoped that we could go much further. Certainly, I intend to go much further. I do not intend to desist from asking that mortgage ceilings be raised. That will not cost the government one jot or tittle. I will ask that the maximum with regard to land values be changed and that all the restrictions which apply at present be looked at, so we can give to those men who have entitlement benefits which are in proportion to those they received originally.

We know that part of the VLA was designed to provide housing for servicemen when housing was very tough to get. In many instances it was non-existent after the war.

Where is it today? As far as many of them are concerned, it is non-existent. Physically it may be there, but financially it is not. Is this to be Marie Antoinette's cake which they are to eat instead of bread? That shows, I think, what is wrong and why this program has to be updated. It may cost us a few dollars. Certainly the increase in mortgages and the restrictions with regard to the increase will need to be dealt with so that a mortgage is within reach of the veteran. The veteran is going to repay this money: it will not cost the Crown anything. There is not one iota of gain in this so far as the veteran is concerned. So why do we not go ahead and let the veteran who wants to, and who may be able to, avail himself of what is his entitlement and right?

Today there are sergeants, sergeant-majors, captains and majors who started out as troopers or aircraftsmen. Quite a few of them have worked their way up and been promoted. They have given their lives to the service of their country. Many of them saw war service which entitles them to benefits under the Veterans Land Act. Are they to be deprived merely because somebody says, "But it is 30 years since the end of the war"? What have these men been doing in the interval? Have they been on a free ride? Not very likely. And what about service wives and families who are posted every three years and live in PMQ's, or on the economy as it is euphemistically called. They have had hard, tough lives and have never been able to say, "This is my home." Now we are turning around and telling many of them, "You cannot now have a home." That is the effect of the government's action, Mr. Speaker. I hope the minister reads my speech.

Mr. MacDonald (Cardigan): I will read it.

Mr. Lambert (Edmonton West): I think I have argued sufficiently as to why this change should not be effected. The minister is a veteran and I think he recognizes that what we have said is right. What we must do is convince his fellow cabinet members. There is where some of the difficulties lie. They do not understand the problem as the minister does.

Mr. Speaker: Order, please.

Mr. Lambert (Edmonton West): Thank you, Mr. Speaker.

Mr. Speaker: The hon. member thanks me for reminding him that his time has expired. He may continue if he has the unanimous consent of the House.

Mr. Lambert (Edmonton West): No, thank you, Mr. Speaker.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, listening to the hon. member for Edmonton West (Mr. Lambert) made me wonder whether he had read with care the motion put forward earlier today and debated so cogently by spokesmen of his party. The motion reads:

> This House regrets that the government has not extended the March 31, 1974, deadline under the Veterans Land Act and calls upon the government to consider taking immediate steps to extend this deadline.

The minister—I think this must be said in all candour—has changed his mind. On Thursday in this House, when speaking in the throne speech debate, he indicated that having given the matter some consideration he had reached the conclusion that the course of action requested by members of all parties should not be followed. I stress that members of all parties put forward these views, because some partisan speeches have just been made. I am thinking of the hon. member for Sudbury (Mr. Jerome) and the hon. member for Edmonton West, who indulged in what I regard under the circumstances as unnecessary, partisan rhetoric.

In any case, last week the minister concluded that he could not grant the extension which many members in all parties desired. He has come forward today and has candidly said he has listened to the voices from both sides of the House who have urged that the government reconsider its position. He made an unequivocal commitment today that the government will make such a reconsideration. One of the fundamental principles of parliamentary democracy is to be able to achieve the kind of situation we have achieved today, namely, if the members of the House of Commons exercise through their voting power, behind which lies reason, a change or shift in government direction, that is what parliamentary democracy is supposed to be all about.

● (1740)

I say quite frankly that my party has been able to support the present government on a number of specific decisions precisely because they have been prepared to move from one position one day to another position some time later.

Some hon. Members: Oh, oh!

Mr. Broadbent: I hear the Conservative members to my right laughing at that. I take this seriously; I do not think it is a laughing matter. If they or, indeed, my party were in a minority government position I would hope we would have just as responsible a government.

Instead of chastising the minister as the hon. member for Edmonton West has just done, for doing what the mover of the motion, his party and the hon. member for Winnipeg North Centre (Mr. Knowles), in whose words the original motion was put last November and duplicated today, have urged we should make the gesture of saying the government has seen some wisdom. In other debates not long ago the Conservative Party said the government was adopting many of their party's policies. They should be pleased with this kind of shift, rather than condemning the government.

Some members of my party are in veterans' organizations; some are not. Basically, that is irrelevant. The important question is whether we have a commitment to do justice to the men and women who served in our armed services. Many members of my party, as well as members of other parties, have made representations to the minister to not only extend the Veterans Land Act for a limited period of time but to extend it indefinitely. I will speak very briefly on that subject. What was good for men and women who risked their lives in battle in order to preserve the integrity of our nation should be offered to them for the rest of their lives. They should receive the benefits provided by this legislation. There is no principle for setting a terminal date on this legislation.

Some hon. Members: Hear, hear!

Mr. Broadbent: If it was deserved for serving in action or for risking their lives—if indeed it was given for that reason—it is not something the government of Canada should withdraw after so many years. Indeed, it is something that should remain with the veterans all their lives.

My second point is that there is need for improvement in the legislation. After the minister has further considered this matter I urge there will be a positive decision. I hope the legislation will not simply be extended in its present form but will be improved along the lines suggested by the Canadian Corps Association, the Legion, a number of other bodies and members of this House.

I wish to make a suggestion that has not yet been made in this debate. Any provision in the act for World War II veterans should apply to members of peacekeeping forces in the Middle East or Cyprus. In fact, it should apply to all members of the Canadian armed services in the recent past or indefinite future as long as they are prepared to risk their lives for the preservation of our country or for what it stands.

In conclusion, I welcome the minister's commitment to the House that the cabinet will give serious consideration to this extension. I hope the consideration will take place soon, that the decision reached will be a positive one and that the veterans of this country will get their just dues.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am delighted to participate in this debate and to speak after the hon. member for Oshawa-Whitby (Mr. Broadbent) whom I understood to say—and he can correct me if I am wrong—that he will oppose this motion. I take it from his statement that he will vote against the motion. If I am wrong in that assumption, he can correct me. I am glad that he is satisfied with what the minister said. In his satisfaction he showed that easy acceptance of government positions which this party has not been prepared to accept from time to time. I accept the minister personally. From reading between the lines of what he has said here and elsewhere, I believe he would genuinely like to be able to accept our motion.

The Minister of Veterans Affairs (Mr. MacDonald) would genuinely like to be able to come into this House and say that his cabinet colleagues have authorized him to categorically indicate they will in fact bring forward a bill to remove the repugnant section in the act and the deadline. However, he has not been able to do that. He has not given any unequivocal, categorical assurance, although he easily satisfied my friend from Oshawa-Whitby. I think the record will bear that out.

What is this motion? It is not couched in the loudly condemnatory terms it would have been possible for us to use. It is not, as suggested by the hon. member for Sudbury (Mr. Jerome), a motion dealing with the political aspects of this very serious problem. It was said by our spokesman in this House today, as we said earlier, that we regret the government has not taken the action urged upon them by this party and by the hon. member for Winnipeg North Centre (Mr. Knowles) to remove this deadline. That is the position we take. We said, "Do it." We regret they have not done it.

This is probably the last opportunity that will be available to extend this deadline for the benefit of the veterans of Canada. What is there political in that? If we did not make a motion of this kind we would be derelict in our duty, because that is why we are here. I am a veteran. I have no conflict of interest because I did not qualify prior to 1968, and I have no intention of doing so. However, as a veteran I understand the feelings of other veterans.

Having said that about the motion, what has been the situation? Various motions have been put forward by my hon. friend from Humber-St. George's-St. Barbe (Mr. Marshall) and others. On November 9, 1973, one of my hon. friends put forward a motion as the latest of a series of attempts to focus attention upon this situation. The hon. member for Winnipeg North Centre also sought to persuade the government to act, and the House unanimously accepted the motion. That was as far as we could go on that occasion.

● (1750)

My hon. friend from Edmonton West (Mr. Lambert) produced a letter dated January 17 of this year in which the minister indicated he was unable to accede to the request contained in that motion unanimously approved by the House. On January 11, just before the recess, the minister said he would review the position, but obviously between January 11 and January 17 the minister had taken an irrevocable decision.

If anything more was needed to convince us that this was the position of the government, a position which the minister was unfortunately compelled to put forward, I would refer to the minister's speech of March 7. I was not in the House at the time he made it, but I read that speech with interest. The minister built it up in careful, logical steps, reason by reason. He ended by saying he was convinced he could not accede to the request made by veterans organizations and by this House to extend the deadline. That is a clear and final expression of the minister's position. How else, then, could we act than by bringing forward the motion we have put down today, couched in terms which I consider to be mild and temperate?

The hon. member for Winnipeg North Centre says he appreciates the view taken in the motion and would like very much to support it. Obviously, he will not do so. I refer to this matter because on May 4, 1970, the hon. member moved a motion calling upon the government "to give consideration to an immediate and substantial increase in the basic amount of the old age security pension and of veterans' pensions and allowances, and this House also urges that still further steps be taken to improve the quality of life of all our older and retired people". A procedural argument arose. I am sure that Your Honour, with the advice of your assistants, with the careful attention to detail which you always pay, has examined this matter and is not unfamiliar with the relevant citations. In the course of that debate the hon. member said:

> I quite deliberately avoided using the words "this House condemns the government" for such and such a thing because I know that there have been over the years a number of non-confidence motions, particularly in the days when there were supply motions which the opposition sought to amend, which expressed views which the government was prepared to accept; and when the government accepted those views,

saying it had no objection to the motion that had been presented, the non-confidence motion lost its non-confidence character.

The hon. member for Winnipeg North Centre was aware of this motion, aware of its significance, and in the circumstances under which this motion was drafted we did have that consideration, as well as other considerations, in mind. Now, if the minister has the authority to take a decision to abolish this deadline, let him stand up and vote for the motion; let him persuade his colleagues to vote for the motion.

An hon. Member: Oh, come on.

Mr. Baldwin: Let the members of the NDP, sitting down there in despair and confusion—they have already held half a dozen caucuses to decide how they are going to vote—stand up and be counted in favour of the motion. Not one member of the Hydra-headed monster composed of those two parties has had the intestinal fortitude to say, "We approve of and shall support the motion." I suggest this is an illustration of the political dishonesty and deceit exhibited in the peculiar antics of the government party and their allies cowering over there to my left.

If the dragon of politics was introduced into this motion, it was introduced by the hon. member for Sudbury, the hon. member for Labelle (Mr. Dupras) and the hon. member for Oshawa-Whitby. Ours was a non-political motion motivated by a wish to assist the veterans who stand to lose benefits in just a few days. Today is March 12: there are 19 more days left, of which I believe 14 are sitting days, including six or seven opposition days. I did not get authority from my party to say this, but I believe my hon. friends would bear with me if I said we are prepared to give up one or two of the opposition days allocated to us if the minister will stand and say he is prepared to bring forward a Veterans Land Act giving effect to the motion which my hon. friend has put before the House.

Some hon. Members: Hear, hear!

An hon. Member: Big deal.

Mr. Baldwin: If members of the NDP can accept the policy which the minister was unfortunately compelled to put forward against his better judgment, there is not much hope for this House.

May I call it six o'clock, Mr. Speaker?

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Baldwin: Mr. Speaker, when the clock interrupted me at six o'clock I was engaged in the very fascinating pastime of inquiring why hon. friends to my left were so easily satisfied with the statement made by the minister today. Let me go into it a little more fully. What did the minister say? He said that the government would consider the possibility of extending the March 31 deadline. That is not good enough for us, Mr. Speaker. It is not good enough for me and it is not good enough for the veterans of Canada.

The minister also said: "I am quite prepared to take another look at this whole question in the light of the pleas made today, after looking at all the evidence". That is not good enough for me either, Mr. Speaker. Also, it is not good enough for my party or for the veterans of Canada, even though it may be good enough for hon. friends to my left, who since this parliament started have parked their once great principles outside their offices and, politically speaking, have indulged in the business of political expediency ad nauseam. It may be good enough for them, but it is not good enough for us.

What else did the minister say? I think this was his concluding sentence, and it is what we must take to be the limits of his undertaking: "I will be happy to consider the whole matter again and to make a recommendation to the government". What kind of recommendation, Mr. Speaker? What is the minister going to do?

The motion we have put before the House today, couched in the words it is, is not the kind of motion that perhaps we would have liked to move. There are limitations of wording. But when you put together what we have said in our motion, we are saying that we regret the government has not indicated that it is prepared to extend the deadline and we want the government to take immediate steps to extend it—not tomorrow or the day after, but immediately. This means but one thing. It means that the minister, or if not this minister some other responsible minister, must give us an undertaking today that legislation will be brought forward to deal with the matter.

This undertaking must be given unequivocally and categorically. Legislation must be introduced by the government. I cannot do it as a private member and neither can the members of my party. Only a member of the cabinet can introduce legislation to extend the deadline, and we want the government to give an undertaking to this effect. If we do not get it, we are not satisfied.

The minister's remarks today have to be read in light of what he said just five days ago. When he spoke five days ago he was speaking calmly, with a prepared speech, following meditation and consideration on this issue that had extended over a period of months. He was not at that time under the pressure he is today, and neither was the government. What the minister said last Thursday was the careful, reasoned, calculated statement of a man representing the government. Let me refer to just one passage in the minister's statement of March 7 which appears at pages 304 and 305 of *Hansard*:

> Almost nine years have elapsed since that deadline was established. The terminal date has been well publicized. I am of the opinion, therefore, that veterans sincerely interested in obtaining VLA benefits for the purposes contemplated by the act have had ample time in which to do so. Virtually every veteran who obtained a VLA certificate of qualification by the deadline of October 31, 1968, had already utilized the benefits alternative to those of the Veterans Land Act.

Finally the minister said:

> On January 11 last, as reported at page 9182 of *Hansard*, I stated that if I had sufficient information to make me think the deadline date should be changed I would so recommend to the government. I want to assure you, Mr. Speaker, that I have carefully considered all relevant representations and data, including that determined by the Royal Canadian Legion in the survey it conducted last December. I am

unable to conclude that such a recommendation would be warranted or appropriate.

That is the cold, calculated, careful and deliberate statement of the spokesman for the government, stacked up against those weaseling words that the minister used today. I apologize for using those words about the minister because I know if he had the opportunity on his own he would not, on behalf of the government, had used the weaseling, limiting words that were used today and which can give no hope to this House or to the veterans of Canada that this deadline will be extended.

● (2010)

We cannot accept that, and we must press ahead with a vote on this motion unless the government indicates it intends to do something about this matter. I do not think it will, because the President of the Privy Council (Mr. MacEachen) insisted on writing those words for the minister after the intercourse—I use that word in the best sense—between the two sides. There was a heavy movement which took place between the government and the NDP. Both sides knew what was going to be said, and those words were used to take my friends to the left off the hook. They think they are off the hook, but when this is all over they will be hanging suspended for all the world to see.

If there is any sense of political morality and decency left in this House, somebody on the government side will stand up before this debate is ended and give a clear, categorical assurance to the people of Canada that legislation will be introduced to extend this deadline. That is all that needs to be done, and that will be accepted. If the government will not do that, then I issue the challenge to my friends who sit over there so complacently to vote with us and force the government to accept this motion. Apparently they have no regard at all for the veterans. Perhaps I should clarify that by saying they have no regard for our veterans unless they indicate before this debate ends that they are prepared to vote with us to compel the government to accept the motion.

There are limits to what private members or the opposition can do. Day after day, session after session the hon. member for Humber-St. George's-St. Barbe and other members of this party who have been our spokesmen for veterans affairs, as well as the hon. member for Winnipeg North Centre and members of the Créditiste party, have brought forward motions similar and akin to this one asking that something be done. This was not only done by the hon. member for Winnipeg North Centre, although he has been assiduous in this matter, but by other members. However, the government has steadfastly rejected our motions and refused to give us this right, so we had no alternative but to bring forward our motion couched in these terms to find out precisely what the government is going to do. At a quarter to ten this House, its members, the people of Canada and especially the veterans will know where the government and the NDP stand on this issue.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, let me say to the hon. member for Peace River (Mr. Baldwin) that what the veterans of Canada will know after what is happening here today is that the Conservative Party is ready to play politics with their welfare. That is what the veterans of Canada will know.

[Mr. Baldwin.]

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lewis: The hon. member says to the New Democrats that if we cared for the veterans we would vote with the Conservatives tonight to defeat the government. That, of course, would mean that all this hypocritical stuff they are talking about would really come to pass, because March 31 would be gone and that would be the end of the Veterans Land Act. And where would the help for the veterans be then?

Some hon. Members: Hear, hear!

An hon. Member: Innuendo.

Mr. Lewis: Imagine making the suggestion that if we really cared for the veterans of Canada we would vote tonight to bring down this parliament so that nothing could be done in time to extend the Veterans Land Act! Do they call that being friends of the veterans? As a matter of fact, the hon. member said—I took down his words—that if the New Democrats really cared for the veterans they would vote with them to compel the government to do what they ask of them. What an incredible sentence that is. What government would be here on March 31, if we voted with the Tories on a non-confidence motion and defeated the government?

An hon. Member: You are really backing off now.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Boulanger): Order, please. I am sure hon. members know that the rules are very clear in that only one hon. member can have the floor and he is the only one to address the House. Perhaps we could have some order.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. You are quite right, but the hon. member for whom I have the greatest respect, has no right to misconstrue my remarks. I am entitled, under the rules, to make the comment I did make, and he should not misconstrue my words. I suggested that if they would indicate their intention to vote for our motion, there is no doubt that the government would change its mind and do something about this matter.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, the more the hon. member explains the inexplicable, the more he gets his foot in his mouth. What guarantee has he or anyone that if we vote to bring this parliament down, anyone will be able to do anything afterward? Furthermore, Mr. Speaker, I ask the hon. member, for whose integrity until this evening I have had great respect—he may have changed my mind to some extent tonight—to read the motion his party has moved. What are they asking for in this motion which states that

"this House regrets that the government has not extended the March 31, 1974, deadline under the Veterans Land Act"? What does the motion say after that? It calls for the government "to consider taking immediate steps to extend this deadline." The motion does not say "we are calling upon the government to take immediate steps." It does not say that at all. Had it said that, the situation might have been different for the government tonight. What the opposition is doing by this motion is asking the government to consider taking immediate steps, rather than to take those steps.

What was the purpose of this motion? As I listened to the very moving and excellent speech of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) I understood that the purpose he had in mind was to persuade the government to accept the suggestion that it consider taking steps. That is what his speech was all about, and the hon. member for Winnipeg North Centre (Mr. Knowles) in his speech made an appeal to the minister to accept the suggestion in the motion, to consider taking steps to extend the deadline.

Mr. Nielsen: Why don't you amend the motion?

Mr. Lewis: When the minister did exactly that by saying three times in his speech that he was quite prepared to consider taking steps to extend the deadline, the Tories were not satisfied because they were not interested in that. I am not talking about the hon. member for Humber-St. George's-St. Barbe and others of his colleagues who are as concerned about this matter as he is, but obviously some members of the Tory party were not really concerned with getting a commitment from the government to do something about the Veterans Land Act. They are concerned with nothing else than bringing down this government.

Some hon. Members: Hear, hear!

Mr. Lewis: The hon. member for Peace River (Mr. Baldwin) referred to conversations back and forth between the Liberals and the NDP. Let me tell him through you, Mr. Speaker, that the hon. member for Winnipeg North Centre and myself discussed with members of the government the necessity for the government to make a definite commitment to accept the substance of this motion. I make no apology for having done that. I feel that in doing so this party has again served the necessary purpose of making this parliament work in favour of the interests of Canadians at this time.

Some hon. Members: Hear, hear!

Mr. Lewis: The hon. member for Peace River read from the speech the minister made last Thursday and then said, quite rightly, that it was a calculated and carefully prepared statement—and so it was. That, I suggest to you, Mr. Speaker, makes the minister's commitment that much more important. If he made last Thursday, as he did, a carefully prepared statement in which he concluded that the deadline should not be extended, and then rises on the floor of this House and as an honourable and gallant veteran himself says it is his intention to reconsider this matter and it will be considered in light of the discussions, pleas and speeches made in this House—that is what the minister said—then I suggest to the hon. member for Peace River that unless he is going to call the minister a liar, what the minister said today has real force precisely because he made the prepared statement last Thursday.

● (2020)

Some hon. Members: Hear, hear!

Mr. Lewis: Furthermore, I say to the minister that precisely because he told us last Thursday he had reached one conclusion against the purpose of this motion, we in the New Democratic Party accept his commitment today as meaning not merely consideration but taking action after consideration has been given to the subject.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lewis: I know he did not say that, but that points up the stupidity of those who drafted this motion, because they did not make it necessary for him to say that. I therefore emphasize to the minister that if he was not playing games today—and I simply do not believe he is capable of that kind of game—and if he was sincere about it, as I am certain he is, and if he made that statement after consultation with the Prime Minister (Mr. Trudeau) and other members of the government, I accept his sincerity and believe the government is sincere, and that this reconsideration will result in an announcement to this House by March 31 and that action will be taken along the lines the motion requests.

Mr. Baldwin: What will you do if he doesn't?

Mr. Lewis: Just wait and see. Don't be in such a rush. The Conservatives are always in a rush to put someone in a corner, and every time they do it they get themselves in one. Don't continue that game. The game that is being played here has become obvious. It seems to me that for years the issue of veterans affairs has been a non-partisan issue in parliament. For years members of all parties worked together as best they could to arrive at conclusions for the benefit of the veterans of Canada. I think it is regrettable, indeed I think it is shameful that certain members of this House are determined to make the veterans a partisan issue in this parliament.

Some hon. Members: Shame.

Mr. Lewis: I say, Mr. Speaker, that if the Conservatives had been as sincere as the hon. member who moved this motion, and as sincere as the minister when he made that statement, they would not have forced this House to a vote. They would instead have said to the minister that they would hold him to his word, because his statement of today must mean something different from the statement he made last Thursday when he said he could not extend the deadline. They should have said that to the minister and given him a chance in the next couple of weeks to come up with what is implied in his undertaking. But they are not ready to do that. They are not ready to serve that kind of decent, constructive, objective purpose; they are not interested in that.

I wish to pay a warm tribute to the hon. member for Humber-St. George's-St. Barbe for the way in which this motion was introduced, in a totally non-partisan manner. He explained what he wanted, which I am sure is what other members here want. I also wish to pay tribute to my colleague the hon. member for Winnipeg North Centre for the non-partisan way in which he approached this matter. Both the hon. member for Humber-St. George's-St. Barbe and the hon. member for Winnipeg North Centre asked for an undertaking by the government that it would consider taking immediate steps to extend the Veterans Land Act. They made that appeal to the minister, who responded. This is a credit to the hon. member for Humber-St. George's-St. Barbe and the hon. member for Winnipeg North Centre, and a discredit to the hon. member for Peace River.

Mr. Speaker, as I have said, it is a pity that this subject is put in the context in which the Tories are now determined to put it; but also, as I have said on many occasions since January 4, 1973, we do not intend to play this kind of game. We believe that the action of the minister today is an unequivocal undertaking to reconsider his position in respect of the Veterans Land Act.

Mr. Baldwin: No.

Mr. Lewis: Ask him, for heaven's sake. Let the hon. member for Peace River stop being a silly ass. You asked the minister to give an undertaking that he would reconsider. When he gives the undertaking, you say it is not enough. He has given what you asked for, but you say it is not enough. What kind of logic is that?

I say, Mr. Speaker, that what has happened today in respect of the government's response to the motion moved by the hon. member for Humber-St. George's-St. Barbe again underlines the value to Canadians, to veterans, of making the people who have been elected do something for the benefit of Canadians instead of chasing non-confidence motions as gladly as the Tories chase them. We have no intention of streaking naked with them.

Some hon. Members: Hear, hear!

Mr. Lewis: I imagine the hon. member for Peace River would make a very good sight streaking across this hall, but I do not want to compete with him in that. All I say, Mr. Speaker, is that today has shown once again the value of the policies that have been pursued by my colleagues and myself. If there was sincerity of action in this chamber, then we say to the minister that he made a commitment and that commitment must be implemented by March 31. We say to him that we expect from him a statement by that date that something like that will be done, and do not intend to force this House into a divisive vote.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I listened with great interest to the entire debate this afternoon on what we put forward as a very serious matter affecting a great many veterans in this country. We heard the hon. member for Winnipeg North Centre (Mr. Knowles) speak in favour of the veterans and this motion which he has moved many times before, and just now we heard the speech of the hon. member for York South (Mr. Lewis). Instead of taking the political course of criticizing the Conservative Party, the hon. member for York South should have asked the Minister of Veterans Affairs (Mr. MacDonald) to give us a commitment that he would introduce an amendment to extend the deadline of this legislation.

● (2030)

The Minister of Veterans Affairs has made no commitment. Last Thursday, as mentioned by the hon. member for York South, the Minister of Veterans Affairs said emphatically—and it has been mentioned many times today in the House—that there would be no extension. Yet the hon. member for York South stands in his place and tries to criticize the Conservative Party. If he is sincere in his allegations, why did he not bring in an amendment to correct our motion which he says is not right? No, he just wants to play politics and keep the government in power. This matter is serious. I would call the performance we have seen "courtroom politics." I know there have been agreements and that bargains have been made, and that is why we heard the speech just made by the leader of the NDP.

Many things have concerned me for a good many years with respect to veterans who have applied for benefits under the Veterans Land Act. These veterans are probably working in the cities and in large metropolitan centres. Under the rules and regulations of the Veterans Land Act they have found it impossible to buy a house or to find a location of their choice on which to build a house, not through any fault of their own but because they are making their livelihood in the large cities of Canada. But today many of our veterans have reached the age when they can retire. I have letters here telling me that some of them have picked out locations in which to build a house in smaller communities. But what happens? One of these letters reads as follows:

> I am writing you as our duly elected member of the federal government to find your views on the possibility of an extension of time from the deadline of March 31, 1974, to extend the Veterans Land Act closing date. Many veterans of the war have, for a variety of reasons, to this date not taken advantage of this form of gratuity for their service. In my own case I have not as yet taken this up. Now I wish to do this.
>
> I have my letter of qualification from the DVA but as this must be exercised by March 31, 1974, this leaves me with a problem. I have no doubt there will be many veterans in a similar position. With the escalation of real estate prices it is almost impossible to acquire the added moneys beyond the maximum $18,000.

This veteran says in closing:

> I would appreciate hearing your views and intentions in this matter. I do not know if the closure or extension would require an act of parliament or would, like the old soldier, just quietly pass away—

This is something that is happening to far too many of our veterans today: we are forgetting about them and they are expected to just pass away. I have another letter from a chap who applied. He is qualified and has submitted the deed to VLA, but he cannot build the house in the very nice location of his choice because at present there are no sewers servicing the property. However, within two years there will be such services to this area. This is what we are denying our veterans by closing out on March 31, and that is why I beg the minister, who is a sane and reasonable man, to extend this deadline.

If the minister had today given the House his word that the deadline would be extended, not that he would take the matter up, I am sure a different course would have been taken in the House today. This is a serious matter. My friends to the left are trying to make us believe that we are just playing politics. That is not so. With very few days left, the veterans are duly concerned. And why should they not be concerned? For far too long we have neglected our veterans who have offered their lives so that we may have the freedom which we enjoy in this great country of ours. They did not ask us, "What will you give us when we join?" They did not ask us, "What have you to offer us?" They served hoping that they would come back with their lives. They were ready to lay down their lives in order to give us a better way of life in a free world.

All they asked was to be fortunate enough to come back; and they had faith in us to grant them some consideration for their services. They did not barter with us. They went, they offered their services and some of them lost their lives. The least we can do is to give them some consideration in return. I want to emphasize again that many thousands of veterans are planning their retirement and are begging for an extension of the Veterans Land Act. I hope an extension will come about.

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, it gives me a great deal of pleasure to be asked to speak again on a motion put forward by the able veterans affairs critic of the official opposition, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). I spoke on a motion moved by the hon. member on May 18 of last year. That was also a motion to urge this House to meet a solemn obligation to those of our citizens who fought in Canada's wars.

I doubt that there is a member of this House who does not go back to his riding from time to time and tell veterans groups that their parliament recognizes their sacrifices and that we accept the obligation and responsibility to them that has been passed down to us by previous parliaments. Yet we seem to be continually debating in this House whether we will in fact honour the pledges that have been passed to us and which we ourselves have made.

It seems to me at times that this government approaches legislation dealing with veterans as though it were something to be got over with as quickly as possible and at the least cost to the public treasury as possible. I have heard statisticians remark that veterans of World War I will all be dead by such and such a time, and that veterans of other wars will all be dead by a certain time. Then they go about working out cost estimates of the various programs that we have set up to look after veterans. These are not statistics or mortality tables with which we are dealing. These are brave men and women who answered the call when we were being pushed to the wall. These are people, Canadians, human beings. These are people who hate war because they know how horrible war is. These are people who knew when they left home that they might never return. It sometimes appears to me there are people who wish they could just forget that these people did come back; who wish we could just forget about them until we need them again. That is the feeling I get when I hear members of parliament debating dollars and cents when they should be debating how soon they can pass a bill to erase some of the wrongs we have committed against veterans and their families through our omissions and our procrastinations.

Statistics and actuarial tables aside, we are thinking and talking about veterans who are alive, veterans who have aspirations and problems and dreams that are no different from those of other people. Those of past generations who gave their lives in our wars are honoured in many ways—with statues, parks, buildings, scholarships, and on memorial days. This is fitting, and in this respect I believe we are living up to our solemn responsibilities. I believe that the vast majority of people honestly and sincerely acknowledge their debt to those who died in order that we might live. However, we owe the same debt of gratitude and thanks to the living veterans and the monuments we erect to those veterans must be living monuments. The Veterans Land Act is just such a living monument and it must be kept alive.

● (2040)

There was no intention, on the part of the parliament that passed the act back in 1942 that it should be terminated before the end of its useful life. It was passed as veterans' legislation and it has the same validity and purpose today as it had in the year it was enacted. No one would suggest that we should phase out veterans pensions, veterans hospitals—at least I hope not—or war veterans allowance simply because some statistician can produce a time when he says all veterans will have passed from the scene. Why, then, should anyone single out the VLA and suggest that it should be given an expiry date?

A previous parliament passed an act that would extend to veterans the right to borrow money from their government to purchase land and a home. They were not told that they had to sit down, there and then, and decide where they would like to build a home or when they would be able to start. A later parliament, or perhaps I should say a later government, decided that this right granted to veterans must have some strings attached to it. Veterans were told to make up their minds by a certain date, or forget it. We have been told during the past few days, and in fact we were told in this House and in committee meetings last year, that the veterans had been given ample warning that VLA was going to be terminated and that any veterans who wanted to qualify had sufficient time to get in under the wire.

In the first place, Mr. Speaker, it has been ably stated by many of my colleagues, on all sides of the House, that there is no compelling reason why an expiry date should have been imposed and no good reason why that expiry date should be allowed to stand. It is for us today in this House to decide whether or not that expiry date should be expunged from the record. We are not bound by any past government or any past parliament in this matter. Experience has shown us that the expiry date is unpopular with those for whom VLA was established, and if it is unpopular with the veterans then we must reinstate this very important legislation.

I could talk at length about the positions that have been taken by my colleagues in today's debate. But, Mr. Speaker, I would like to refer in particular to some remarks made by the very able veterans affairs critic for the New

Democratic Party, himself a veteran, the hon. member for Timiskaming (Mr. Peters). During the debate of last May on a motion moved by the hon. member for Humber-St. George's-St. Barbe, the hon. member for Timiskaming proposed a solution that was excellent at that time, and I believe it would be as acceptable today not only to his party but to mine as well.

The hon. member for Timiskaming outlined a three-part proposal that would extend the Veterans Land Act provisions and would also raise the ceiling on loans from $18,000 to $25,000. The increase in loan ceiling would erase part of the effect of inflation on land prices and in my opinion is an excellent proposal. On the hon. member's first point I quote from *Hansard* for May 18, 1973:

> First, we will have to convince the minister and his officials that it is necessary to wipe out the qualifying date, at least with regard to smallholdings.

The "we" to whom he referred were the members of this House. The second point dealt with the raising of the loan ceiling, while his third point dealt with the alleged problem of administering the smallholdings provisions in the Veterans Land Act. He proposed that if this indeed was a problem for the Department of Veterans Affairs, then it could and should be turned over to Central Mortgage and Housing Corporation for administration.

While I accept the hon. member's proposals as going a long way toward solving this problem, if it is a problem, I cannot accept the argument that the high cost of administering the program is a valid excuse for allowing the government to squirm out of the responsibility for continuing VLA beyond the present expiry date. Every program that we have in operation at the present time has its own administrative problems and administrative costs. But the programs go on and we continue to establish new ones.

The reasons for continuing the VLA program are obvious, and there are many of them. First of all, as I and many of my colleagues have said, the VLA program was designed for veterans, and as long as there are veterans who want to take advantage of the program then the Veterans Land Act should be available to them.

Another good reason is that before the arbitrary deadline to qualify for a VLA entitlement certificate passed on October 31, 1968, 150,000 veterans had been issued certificates. Of that number only about 25,000 have actually received the benefit of the program. This means that 125,000 certificate holders have yet to decide where they want to build and when they would like to start. Obviously, there are some certificate holders who will not take advantage of the program no matter how long they have to make up their minds. I think the minister also alluded to this fact. And it is likely that quite a number of those to whom certificates were issued are not living today. However, Mr. Speaker, this is not a criterion for deciding whether to retain the VLA program or to allow it to die 20 days from now. As long as there are any veterans at all who have not taken advantage of the program, it must be retained for them.

In addition to the veterans of past wars who returned to civilian life there are many, perhaps several hundred, who are still serving in the armed forces. Right now they must be wondering if we are really going to extend something to them with one hand and take it away from them with the other. Some of these people will not be out of the forces for another five or six years. They may be presently serving in Egypt, Cyprus or Germany. How can they be expected to know at this point where they will decide to settle a few years from now or when they will be ready to start building?

The hon. member for Labelle (Mr. Dupras) made some interesting remarks during the debate this afternoon. I would like to refer to two of them. First of all he said that the government of Canada in 1942 was forced to provide some sort of incentive to Canadians to volunteer for service, and that one of the incentives was the Veterans Land Act. If that is so, Mr. Speaker, then I cannot think of a more solemn pledge for a parliament to pass along to all succeeding parliaments. If we are to take the hon. member's remarks on faith, then the government of that time said that anyone who would volunteer to risk life and limb in the service of his or her country would be rewarded by, among other things, the right to settle or resettle under the provisions of the Veterans Land Act. Could the hon. member deny that this is a pledge that has not been completely fulfilled? And could the hon. member deny that this pledge has been passed to us and must be passed along to succeeding parliaments so long as there is one living veteran?

For my part, Mr. Speaker, I must accept the version which says Canada was able to maintain the largest volunteer force overseas of any country engaged in World War II and that it was able to do this without incentives and without conscription. Further, the hon. member for Labelle suggested that those veterans who have already taken advantage of VLA could be angered by any move on our part to increase the ceiling on loans from $18,000 to $25,000. I doubt that, for a couple of reasons. In the first place, the original ceiling was $12,000 and it was raised to $18,000 for the same reason we are proposing to raise it to $25,000.

Further, the homes that were built ten years ago at a cost of $18,000 are now worth $36,000 or more, and there is no way in which those who build now are going to realize such a dramatic gain in equity over that period. Another reason is that the veterans organizations themselves are pushing hardest for the extension of VLA and for the increase in loan ceiling. Many of those who are pressing the issue are veterans who have not taken advantage of VLA.

I would like to end my remarks by referring to the Minister of Veterans Affairs (Mr. MacDonald). I said in my speech in May, 1973, that the Minister of Veterans Affairs was admirably suited, by experience and temperament, to the task he has undertaken. He has shown compassion and understanding as well as objectivity in his approach to veterans problems. However, Mr. Speaker, I have detected a change in the minister during the past few months.

● (2050)

Mr. MacDonald (Cardigan): Smart fellow.

Mr. Beattie (Hamilton Mountain): It is not a change for the better, in my opinion. It is a change I have detected especially since last month. In February the minister gave

every indication that he viewed with some favour the representations of veterans groups urging the extension of the Veterans Land Act. The minister has since been accused of raising false hopes in the minds of veterans. I cannot believe, or at least I do not want to believe that the minister would build up the hopes of veterans groups on a premise that he knew to be false.

Did the minister really believe that his cabinet colleagues would support him in a bid to extend or remove the deadline on VLA applications? I want to believe he was sincere, but today he made some statements which seem puzzling. For instance, the minister said he would be prepared to take another look at the Veterans Land Act question. He would take another look at what? That he never intended to push for extension? Also, he said he would be happy to reconsider; that is, to reconsider if he considers it to be warranted. Again, he poses the question as to what would or might be warranted. Did he mean the extension of the deadline, or did he mean the Veterans Land Act itself? After all, Mr. Speaker, the Veterans Land Act is the expression of the will of parliament—of several parliaments. I hope the minister does not mean that he will consider at some later date whether he feels the Veterans Land Act to be warranted. I cannot help feeling that the Canadian people will have the last word on that matter.

By not extending the deadline of the Veterans Land Act the Liberal government appears to have conspired to get us to use up one of our opposition days, Mr. Speaker.

Mr. MacDonald (Cardigan): What a laugh!

Mr. Beattie (Hamilton Mountain): If that was their game, they have succeeded.

Mr. MacDonald (Cardigan): Why don't you quit playing games?

Mr. Beattie (Hamilton Mountain): I cannot think of a better way to use up an opposition day than drawing attention to Canada's veterans and the need to preserve and update vital veterans programs. We make no apology for that, Mr. Speaker. Regardless of what the leader of the NDP says, this has not been a partisan debate.

In conclusion I want to take members back to a Remembrance Day ceremony of past years and to a short poem recited by a legionnaire which goes like this:

> No doubt he cherished his life,
> Not unlike you and I,
> But if we take for granted
> The reason that he died,
> We don't deserve our freedom,
> Because we've never learned
> It was our peace and liberty,
>
> These brave soldiers earned

My hon. friends, if we fail to build a better world for our returning veterans, the hero in that poem died in vain.

Mr. Maurice Foster (Algoma): Mr. Speaker, at first blush the motion before the House today might appear to be a routine opposition day motion, as it calls on the government to consider taking immediate steps to extend the deadline for the phasing out of the Veterans Land Act beyond March 31 this year. On looking more closely we find that it is a motion of non-confidence against the government, moved under section 58(4)(a) of our rules of procedure. So it is a motion on which the House will divide, something which is most unusual. Why do I say that? In the six years I have been a member of parliament, this is the first time the House has divided on party lines on a matter relating to veterans who served this country so gallantly in war and so capably in the building of the country since the war.

The hon. member for Peace River (Mr. Baldwin), when he spoke, almost seemed to excuse himself and his party as, half humorously, he called on members on our side of the House to support a motion which he knows is a motion of non-confidence. I suggest that if any member on this side wanted to join the PC party, he would do it directly and not by supporting a "bassackwards" motion like the one now before the House. The theory of the hon. member for Hamilton Mountain (Mr. Beattie) was interesting. He suggested that there was a government conspiracy for the government to use up or waste an opposition day. That is a strange theory, as the opposition party chose and moved the motion which is now before us.

I served on the veterans affairs committee during sessions of the last parliament and from time to time in the first session of the present parliament. I can say sincerely that it has been a non-partisan committee which has rarely divided. Usually, all members worked together and discussed a matter until consensus was arrived at. That is why I feel so uncomfortable about this debate, because for the first time in several years we are seeing a partisan approach to the problems of veterans.

There are fewer veterans who are members of the House now as compared with the last Parliament when I believe about 25 per cent of our members were veterans. Of course, the percentage of veteran members at present is considerably lower than it was in the first parliament after 1945. Nevertheless, the veterans affairs committee of the twenty-eighth parliament was perhaps one of the busiest committees of the House of Commons. Naturally, all committees worked more because the rules were changed and the estimates of various departments were considered in committee and not in committee of the whole. Even so, the veterans affairs committee did a tremendous job in that parliament. It studied the Woods committee report and made recommendations to the government which resulted in Bill C-203 coming forward. It was the most complete overhaul of pension legislation affecting veterans to be introduced in the last 50 years.

There was a tremendous spirit of co-operation among the parties and veterans associations. That, essentially, was the spirit in which the Standing Committee on Veterans Affairs worked, the committee in which the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) has been a most active member. As I said, the committee worked in a non-partisan way. Its efforts were bent to providing better pensions, better health services, better welfare services and more special assistance to veterans, rather than to partisan activity.

The bill I have mentioned was a milestone in pension legislation. It provided for the Pension Review Board to be

separate and independent from the Canadian Pension Commission, for the establishment of the independent bureau of pension advocates, for the exceptional incapacity allowance, for a stronger benefit of the doubt clause and for special benefits for Hong Kong prisoners of war.

The idea of extending the VLA deadline is not new. It was extended in 1959 to 1962, in 1962 it was extended to 1968 and in 1965 it was extended from 1968 to 1974. This afternoon the minister said he would give serious consideration to extending this deadline beyond the March 31 limit established back in 1965. We are proud of our Minister of Veterans Affairs (Mr. MacDonald).

● (2100)

Some hon. Members: Hear, hear!

Mr. Foster: We are proud of his career in wartime; we are proud of his career as a farmer in his native province of Prince Edward Island; we are proud of his record as minister of agriculture in that province and the work he has done in this parliament.

A year ago the Standing Committee on Veterans Affairs recommended that benefits to veterans on a 100 per cent incapacity allowance be increased by relating them to the standard of living which would be directly related to the minimum federal civil service wages. Some members considered it would be very difficult for the minister to persuade his cabinet colleagues to adopt this principle which had first been proposed in 1918 or 1919. Veterans organizations had made representations on this for many years. It was the present Minister of Veterans Affairs who was able to bring forward this legislation last spring and have it adopted in order that the veterans of this country would receive a pension related to the minimum wage rates of the federal civil service.

We are proud of the way the minister has kept the budget of the Department of Veterans Affairs in line with what these men and women require. I note that in 1972 the departmental budget was $432 million. In his speech today the minister announced that in the 1974-75 estimates it will be $597 million, an increase of $165 million for the some 200,000 in this country who receive some level of pension benefits.

Unlike the hon. member for Peace River and the hon. member for Edmonton West (Mr. Lambert) who spoke this afternoon suggesting they were not able to accept the assurances of the Minister of Veterans Affairs, I am willing to accept the word of the minister that he intends to review this matter and place recommendations before cabinet. Taking into account the minister's distinguished war record, I am sure most members of this House are willing to accept the minister's word.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I consider it an honour to take part in this debate and to endorse the motion put forward by my colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). I would in fact go further and offer him my congratulations and the thanks of many, many people in the constituency I represent for having brought this urgent and important matter before the House of Commons today.

[Mr. Foster.]

I was equally impressed with the remarks of the member for Winnipeg North Centre (Mr. Knowles) and the eloquent and passionate manner in which he pleaded with the minister and all in this House to agree to an extension of the deadline of March 31, 1974, when the government proposes to phase out the Veterans Land Act. These speeches dealt with the issue in a non-partisan and compassionate way; compassionate because at stake are the future plans of many thousands of Canadians who served in World War II and the Korean war.

The government's proposal to phase out the Veterans Land Act at the end of this month has met with a strong variety of responses from members on all sides of the House—from strong objection to at least serious reservation. Regardless of some of the heated remarks made earlier today, I hope that when this motion is voted on we will be united as a parliament in seeing that humane treatment is accorded to that large body of men and women throughout this country who genuinely deserve our consideration.

The constituency of Kingston and the Islands has a long history of military involvement. For over 300 years it has continued as a base for armed forces operations. Today its inhabitants include many who are still actively serving in the forces as well as many hundreds of former service personnel who have retired. Among the latter group are numerous individuals who have submitted applications so that they can qualify for loans under the VLA. The fact that they have not taken advantage of their applications is due largely to the inflexible terms of the act, terms which indeed prohibit them from purchasing their own homes.

The $18,000 limit for a lot and a house is a ludicrous figure in this day and age. The $18,000 would hardly pay for the lot, let alone the home, and the one-half acre stipulation has its own restrictions. For those wishing to locate on farmland in the country the acreage is inadequate. For those wishing to purchase land in a suburban area of the constituency the one-half acre lot is too large. These are factors within the Veterans Land Act that could be significantly modified if the government were to accept the motion presented by the hon. member for Humber-St. George's-St. Barbe. Extension of the deadline should allow sufficient time for consideration to be given to modifying the act in terms of contemporary values.

For the men and women still serving in our armed forces, men and women who served throughout World War II and the Korean War, the phasing-out of the Veterans Land Act is particularly reprehensible. It is true they could have taken their discharge at the termination of hostilities; taken advantage of the benefits offered to them at that time under the Veterans Land Act and gone on to other and perhaps more lucrative careers. Instead, they chose to stay and serve, serve in our Canadian armed forces, make it a career, bring to it the high respect and renown it has maintained down through the years. The government's reward to them is to deny them the benefits they had been led to expect were theirs.

For men and women still serving in the forces and with some years still to go before retirement it is well nigh impossible to say what particular lot or piece of land they may wish to purchase. In fact, many have not yet determined where they will reside upon retirement from the

forces. How can they take advantage of the loans available under the Veterans Land Act before the March 31 deadline, when they are in no position to even consider the purchase of a lot or the construction of a home? Their present endeavours are directed to the contribution they are making in the active forces of our country, not in thinking about retirement. Of necessity, they have become used to a life of mobility and change and many of them would find it impossible at the present time to decide where they will reside when they have retired. But surely the government's contribution to their retirement should not be to refuse them the benefits that have been accruing to them, just because they chose to continue serving their country. One of my constituents has written as follows:

● (2110)

I have served in the armed forces continuously since World War II and can continue to serve in my present rank until February, 1976—if promoted, until February, 1978. Due to frequent service postings I have had neither the time nor the opportunity to exercise my entitlement to build under VLA. In fact, with the possibility of one or two more postings I have not even selected a possible geographic location.

It would appear that those of us who elected to continue serving are being penalized, first, by the increase in interest rates a few years ago, and, secondly, by a closure date which will prevent many of us from taking advantage of our entitlement.

It is interesting to note that he uses the word "closure". This is a word that the government certainly knows something about.

It is a well known fact that the morale of the armed forces is not at an all-time high. There have been frustrations, disappointments and setbacks for many of those who chose the military as a career. The marvel is that they maintain their present high standards despite these frustrations. But I know, having talked to many of them both in my constituency and elsewhere, that the phasing-out of the Veterans Land Act, the denial of justice to these people, would be a blow to their morale that is uncalled for, unjustified and unnecessary.

Earlier today my hon. friend from Humber-St. George's-St. Barbe said this question goes beyond the materialistic; that there is a principle involved, the principle that we should not break faith with those to whom a commitment was made in the name of the government of Canada and the people of Canada. I deplore a situation in which any of us might stand accused of having broken faith needlessly and over such a small matter when viewed in terms of dollars and cents. For the number of people who can ultimately take advantage of the VLA is not large in terms of our over-all population, and the funding required is minimal in terms of our over-all budget.

A debate such as this calls into consideration many of the old-fashioned virtues such as trust, faith, civility—virtues often overlooked in this day and age, but virtues which can and must be applied in the case of Canada's veterans if we in this House are to merit the term "responsible representatives". Every day I receive letters of appeal from those whose future security is jeopardized by the manner in which the government has vacillated in regard to this act.

Today the minister said he is prepared to consider an extension. For my part, I am willing to accept his word as given in good faith—that he and his colleagues will give earnest consideration to the positive, humane aspects of extending the deadline while rejecting their present negative, discriminatory approach. Having given his word, having raised the expectations of thousands of veterans and servicemen, having given them cause to believe that their case is a just one and that they can hope for some action within the next 19 days, let him come forward with legislation to extend the deadline within those 19 days. Let him not dash the hopes of veterans by peremptorily announcing on March 31 that his promise to consider an extension has not led to the results they desire, that his words were hollow rhetoric.

If this is his intention, if this is the government's way of getting off what they consider to be a sticky wicket, better the minister should stand here this evening and tell the House, the veterans organizations and the nation the truth as to his intentions, for he is dealing with people who, above all else, do not deserve to be misled. I urge the minister and those associated with him to give an unequivocal guarantee to the House that the March 31 deadline will be extended.

Mr. Ross Whicher (Bruce): Mr. Speaker, I listened with interest to the previous speaker, the hon. member for Kingston and the Islands (Miss MacDonald), who told us with some pride that the constituency she has the honour to represent has a distinguished military history. If I were in her place, I would say exactly the same thing. I might remind hon. members, though, that all of us should have great pride in the constituencies we represent because I am sure that in times of trouble, in times of war, all Canadians have enlisted and done their duty for king and country.

Having said this, may I suggest the hon. lady should remember, again with pride, that a great deal has been done for veterans not only in the constituency she so proudly represents but in constituencies right across Canada, because nowhere in the world have veterans been treated so kindly as in this great country of ours. I speak not only of the present government but of previous governments. I speak as a veteran of six years' service, as one who served in all the active theatres in the last war. I listened with tears in my eyes as opposition speakers suggested that nothing had been done for the veterans of Canada. The fact is that more has been done for Canadian veterans, including the veterans of Kingston and the Islands, than anywhere else in the world, bar none.

Some hon. Members: Hear, hear!

Mr. Whicher: When we consider the motion put forward by the opposition today we should not think in terms of the Veterans Land Act alone. If the minister had not said he might change his mind, a deadline would, it is true, he applied to the legislation on March 31. We should think of other things. For example, there just happened to come into my hands tonight a number of figures as to monthly rates of disability pensions paid to veterans under the Pension Act. I do not say these veterans are getting too much, by any means. As a matter of fact, over the years, along with the hon. member for Winnipeg North Centre (Mr. Knowles) and many others in this House, I have striven to secure increases for veterans because I believe pensions should increase with the cost of living. But con-

sider this. Today a married pensioner with one child receives $541 a month absolutely tax free. And it should be tax free. The fact is, he or she is getting this rate in this Canada of ours. This increase was given by this House of Commons, and all members of the House should be proud of the fact that we have looked after our veterans better than any other country in the world.

● (2120)

May I remind you, Mr. Speaker, that our veterans also have other benefits, such as war veterans allowance for which my hon. friend from Winnipeg North Centre has fought so valiantly over the years, as have the rest of us though perhaps not quite so eloquently as he. Nevertheless, legislation unequalled anywhere in the world has benefited our veterans in Canada. As a matter of fact, the wealthiest country of the world, the United States, has no legislation that equals or can even be closely compared with our war veterans allowance. As I myself have said on many an occasion, only two countries of the world have a minister of veterans affairs. One of them is France. The other is not the United States, the wealthiest country in the world, or England, or Germany, or Japan; it is Canada.

Some hon. Members: Hear, hear!

Mr. Whicher: This is why I am pleased to be a member of this House of Commons, and I say to my hon. friends in the Tory opposition that they should be proud of it too. They should be proud for three or four reasons, one of which is that the legislation that has given Canadian veterans the highest pension in the world was passed to a large extent by their own votes.

As far as I can remember, during the few years I have been here veterans pensions, legislation concerning the Veterans Land Act, and so on, have been discussed and have passed through this chamber by unanimous vote. In all sincerity I suggest that the motion put before the House today by my hon. friends on the opposition benches is, as far as I am concerned, politics at its very lowest. They are trying to take advantage of the veterans of Canada who have fought and died for this country. They are trying to overturn the government because they have been unable to do so in any other way, and they are now trying to hang this on the necks of our veterans.

Some hon. Members: Shame.

Mr. Whicher: The other day I heard the remark that the bigger they are, the nicer they are. As far as this opposition motion is concerned, I say to my Conservative friends, "Sit down, Shorty". I am sure it is not one that they will be proud of in years to come.

I cannot be critical of the Veterans Land Act, because I happen to be one of those veterans who was successful in obtaining a block of land under the Veterans Land Act. Fortunately, I received my piece of land in the year 1946, at a time when many people had a similar opportunity. Many others have had this opportunity over the past 29 years and have taken advantage of it, and for that they deserve our admiration.

On the other hand, they should remember that this opportunity was given to them not just by the Liberal Party but also by the Conservative Party who are condemning this provision today. It was also granted to them by our New Democratic friends, and indeed by our Créditiste friends. It was agreed to unanimously by this House and it is one of the pieces of legislation that I am very proud of indeed.

If I were going to be critical of the Veterans Land Act, I would suggest to my Conservative friends who have moved this motion that perhaps they should change the "V" to a "C". This legislation has proved to be a most successful housing project and has greatly assisted many veterans who live in this great country of ours. If it has been successful for our veterans, perhaps it could be successful for all Canadians. Perhaps we should change the wording of the Veterans Land Act to the "Canada land act" and give all Canadians the opportunity that our veterans have had over the years. I think this would help the housing situation in which we find ourselves today. If my Conservative friends would put forward such a suggestion, I would be the first to support it.

However, the Conservatives are hanging this motion on changing the deadline from March 31 to some time in the future. When we think that the Conservative Party is challenging Canada, that there could be an election tomorrow or even in two years as a result of this motion, then I say my Conservative friends are playing with Canadians. They are not playing with us, because we regard ourselves as at least semi-professionals; they are playing with Canadian citizens from Vancouver to St. John's, Newfoundland.

Surely, Mr. Speaker, there are other subjects that are more appropriate. As a member of the government party I can think of some myself, as a matter of fact. Quite frankly, if hon. members opposite are looking for an opposition motion, let them come and have a chat with me and I will give them one that is far better than the one they moved this afternoon.

Mr. Alexander: Your time is up.

Mr. Whicher: My time may be up, but let me tell my hon. friend that he is not going to have a chance to speak tonight. I will take the advice of my hon. friend from Hamilton West (Mr. Alexander) because my time is up.

Mr. Alexander: I always give you good advice, Ross.

Mr. Whicher: But before I sit down, let me remind the House that the veterans legislation that we have in Canada, including the Veterans Land Act, is the finest veterans legislation in the world. All Canadians should be proud of that fact, more particularly those Canadians should who sit in this chamber, not simply the Liberals, members of the New Democratic Party or the Créditistes, but even the Conservatives who today have condemned it to the best of their ability.

Mr. William C. Frank (Middlesex): Mr. Speaker, I rise in support of this motion moved by my colleague for Humber-St. George's-St. Barbe (Mr. Marshall) because of my sincere concern for the position of many veterans in respect of the deadline, that this government insists will be kept, regarding their right to acquire a home under part

II of the Veterans Land Act, a provision that has already been fully explained in previous speeches today.

I am a little surprised at the speech just completed by the hon. member for Bruce (Mr. Whicher). I had always considered him to be a reasonably fair member. However, I think history will prove who is playing politics in this House today. I do not think anyone on this side of the House has been criticizing the legislation we have already passed for our veterans. Certainly we agree that our veterans have a lot of good legislation. What we are criticizing is the fact that veterans in Canada today are concerned about what is going to happen and they are confused by the government's inaction at the present time.

As the hon. member for Humber-St. George's-St. Barbe stated, this motion is being presented as a last-ditch plea to this government, in the very limited number of days left before the end of the month, to reconsider its very negative stand in regard to extending the deadline on this important provision. It is not a cheap political ploy, as some hon. members have frantically tried to make out today. To me, the main thrust of this motion originated from a commitment made many years ago by the then prime minister of Canada, Sir Robert Borden, who in a speech in 1917 had this to say:

> The government and the country will consider it their first duty to see that a proper appreciation of your effort and of your courage is brought to the notice of your people at home, and it will always be our endeavour to so guide the attitude of public opinion. That the country will support the government to prove to the returned men its just and due appreciation of the inestimable value of the services rendered to the country and empire, and that no man, whether he goes back or whether he remains in Flanders, will have just cause to reproach the government for having broken faith with the men who won and the men who died.

● (2130)

That was a pretty strong statement from the prime minister of the day, and some 50 years since that date similar statements have been uttered. However, never before, as now in 1974, due to the rapid rate of inflation as it effects our veterans of all wars, is there such a need for change in all acts referring to veterans, and there is a particular need to change this particular part of the Veterans Land Act which we are debating.

While it is true there have been many improvements over the years as conditions have changed, it is also true that there are many thousands of veterans who, possibly through their own ingenuity and good fortune, need not be concerned for the future and their own well-being. Nevertheless, thay are sincerely concerned about the well-being of their fellow comrades who are not so fortunate but who, in the minds of members of our party, still deserve full consideration. Members of this party are anxious to ensure that no veteran will be denied the right to acquire a home under part II of the Veterans Land Act because of the restrictions presently imposed, which include of course the October, 1968, deadline for certification, the March, 1974, deadline for application, the phasing-out of the act, the restricted lot requirements, land costs in urban centres and the financial ceilings which inhibit loan applications.

Like many of my colleagues, I have received numerous letters from veterans who through no fault of their own somehow missed the deadline of October, 1968, for certification. Just because of their oversight, it is difficult for me to understand the position the department is taking in stating that everyone had an opportunity to apply before that date. Surely the minister recognizes the fact that many veterans were not knowledgeable of the deadline and are now being denied their rights under the charter.

Even though the minister has stated that we have no right to deviate from the legislation as it now stands, it has to be admitted that there have been many hundreds of amendments brought forth in the last 50 years, along with many new pieces of legislation, because of increasing costs and lot requirements as land values and availability have changed from time to time.

The veterans are not asking for the extension of just another give-away program, which is so prevalent within the government of today. They are asking for the right to continue to borrow money at a reasonable rate of interest, with the opportunity to pay it back. It has been mentioned by several previous speakers that the $18,000 ceiling should be raised, and I most heartily agree. A figure of $30,000 has been mentioned and that appears to me to be within reasonable limits, depending on just how fast the inflationary spiral we find ourselves in today keeps going up.

Another area which is closely related to the concerns expressed in this debate which I should like to refer to briefly is the right of the spouse of a veteran who qualifies under the Veterans Land Act to have the same rights and privileges as the marriage partner in respect of title to property. I have had this point brought to my attention, as I am sure have many other members. In essence, the wife of a veteran who has a VLA mortgage does not have any legal claim to the property until such time as there is an estate. In this day and age of the so-called free society, if the husband chooses to simply take off and not honour his mortgage obligations the wife could then find herself in a very financially embarrassing situation.

As a working wife and mother, such a marriage partner could have contributed as much money to the home as her husband. But even if she did not work outside the home, her contribution as a wife and mother would still be sizeable in meeting the mortgage obligations over the years. To me, this is a very important area that I feel is supplementary to this motion which is so clearly emphasized here today.

As I understand the act, any time a veteran becomes separated or divorced, the wife cannot claim any right to the property until the mortgage is paid off. But by that time the family may be grown up and the wife may not need too much help. If the husband becomes ill, mentally or otherwise, or is incompetent for any reason, the public trustee takes over the administration of the property to which the wife, as I have said before, may have contributed a sizeable effort in keeping the mortgage payments up to date.

Although departmental administrators of the legislation in most cases act in good faith, their answers to some of the questions raised by veterans and their wives do not give those Canadians the confidence I feel they deserve in order that their remaining days be as free of frustration as possible. One such departmental answer is this: The arrangement as it now stands has not created any undue hardship so long as the family relationship remains

normal, because when the veteran's debt is paid off, the title is conveyed to the veteran and upon its registration the wife's dower rights are attached. If requested, the director will convey title to a husband and wife as tenants in common, or joint tenants. If the veteran dies, the wife takes over the agreement with the director and may enjoy all the benefits that would otherwise accrue to the husband.

That is all true, but the one reference in that statement which is the key to the concern I have tried to outline is the part which says that as long as a family relationship remains normal, that is the case. As we look around today we see many family relationships that are not necessarily normal, and this is where the concern of the spouse arises. I feel it is a legitimate concern. The director will convey the title to the husband and wife as tenants in common, or joint tenancy, if it is drawn up that way to begin with; and that is fine. However, when a marriage begins to break down and either the wife or the husband can foresee a possible separation, there is no way in which it would be possible for the spouse to get a legal agreement for joint tenancy.

This is just one more reason that we as parliamentarians must continually analyze acts such as the one in question today in order that they are kept current with the living standards and conditions we find ourselves in from time to time. I doubt if there is a member in this House who does not have a current file on his desk expressing concerns of some kind by veterans in his riding. It makes our hearts bleed that when veterans eventually turn to their members for at least an explanation of the situation in which they find themselves, we in many cases are helpless to do anything. Consequently, I fail to see how our motion today can possibly be defeated when it would give us the opportunity, as members, to at least try to support a situation that to me makes common sense.

The leader of the socialists to our left today accused our party of being very hypocritical and claimed he could have voted for the motion had it not contained the word "consider". Let me read the motion as follows:

> This House regrets that the government has not extended the March 31, 1974, deadline under the Veterans Land Act and calls upon the government to consider taking immediate steps to extend this deadline.

The leader of the socialists said he could vote for it without that reference to "consider". If he and members of the party to which he belongs were as sincere in their interest for veterans as they make out, and as he so frantically tried to suggest this afternoon, why did not that member, or a member on the government side, stand up and move an amendment leaving out that word? They could then have voted for the motion and, as somebody suggested, saved face.

I have a great deal of respect for the minister. As a matter of fact, I have become acquainted with him as a result of living next door in our apartment house; but if the minister and his government were as sincere as they claim they are in their regard for the veteran, why could they not vote for this motion? This would make the veterans happy and there would not be this so-called hypocrisy, political ploy or game that we are supposed to be playing on this side of the House.

[Mr. Frank.]

• (2140)

The hon. member for Bruce said that we are playing politics. As I said before, history will prove who is playing politics and it will be shown that it is the government and its coalition cohorts. I am sure the media will understand what is going on here today. I am also sure our some 140,000 veterans will soon understand who is playing politics. The record will be set straight.

I have tried to outline in a very humble way my sincere opinion as a backbencher. Several other backbenchers over here I am sure look at this matter in the same way. I think what the leader of the socialists to my left recorded in *Hansard* tonight is a disgrace.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I believe what has become very clear in the course of the day is that the official opposition is using the cause of the veterans as a battering-ram in order to obtain their political objective. Hon. members opposite know perfectly well that today traditionally is a day when the opposition moves a motion of non-confidence. They also know that almost invariably in the last 25 years the government has been obliged to vote against motions put in these particular circumstances. Only three times in the last 25 years has it been possible for a government—

Some hon. Members: Question.

Mr. MacEachen: —to adopt a motion put on an opposition day. It has happened only when the motion has been put in a constructive way.

Some hon. Members: Order.

Mr. Deputy Speaker: Order, please. It being 9.45 p.m. it is my duty, pursuant to section 9 of Standing Order 58, to interrupt the proceedings and put forthwith every question necessary to dispose of the motion now before the House.

Mr. Peters: Mr. Speaker—

Mr. Deputy Speaker: Order. The question is on the motion of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall).

Mr. Peters: Mr. Speaker, before you put the motion I rise on a point of privilege. Under Standing Order 11 I wish to indicate that I am unable to vote because of a conflict of interest. The indication of the government that it agrees to extend the deadline may result in a considerable windfall to me because I have qualified. I have a certificate. I have no intention of taking action on it before March 31, but if the deadline is extended I may do so; therefore I request permission not to vote.

Mr. Deputy Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed to the motion will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Marshall) which was negatived on the following division:

● (2150)

(Division No. 3)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Blenkarn
Boisvert
Caouette (Charlevoix)
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Danforth
Darling
Dick
Dinsdale
Dionne
Ellis
Epp
Fairweather
Fortin
Frank
Fraser
Gillies
Godin
Grafftey
Hales
Haliburton
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hees
Hellyer
Higson
Hollands
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Hurlburt
Jarvis
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lawrence
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Murta
Neil (Moose Jaw)
Nielsen
Nowlan
Oberle
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Reynolds
Ritchie
Roche
Rondeau
Schellenberger
Schumacher
Scott
Skoreyko
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—109.

NAYS

Messrs.

Allmand
Andras
Barnett
Basford
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Campbell
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Firth
Fleming
Foster
Fox
Gauthier (Ottawa-Vanier)
Gilbert
Gillespie
Gleave
Goyer
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Herbert
Hopkins
Howard
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Lang
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Mackasey
Marceau
Marchand (Kamloops-Cariboo)
Mather
McRae
Morin (Mrs.)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rompkey
Rooney
Rose
Rowland
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whicher
Yanakis—129.

● (2210)

Mr. Speaker: I declare the motion lost.

At 10:14 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 13, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PRIVATE BILLS

TABLING OF REPORT OF EXAMINER OF PRIVATE BILL—PETITIONS ON BILL SUBMITTED BY EASTERN CANADA SYNOD OF LUTHERAN CHURCH IN AMERICA

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid on the table the first report of the Examiner of Petitions for Private Bills relating to a bill submitted by the Eastern Canada Synod of the Lutheran Church in America.

* * *

URBAN AFFAIRS

ANNOUNCEMENT OF CREATION OF URBAN DEMONSTRATION PROGRAM AND FUND

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, further to the urban goals set forth in the Speech from the Throne, I wish to inform the House today that the government is creating a $100 million urban demonstration program and fund to be administered through the Minister of State for Urban Affairs.

Some hon. Members: Hear, hear!

Mr. Basford: This demonstration program is designed to foster projects that will find solutions to urban problems and demonstrate those solutions for adoption and implementation in all regions of Canada.

The fund applies to the five-year period from 1975-76 to 1980-81. It is a further indication of the clear determination of this government to meet the urban goals announced in the Speech from the Throne, and it will also provide a strong and imaginative foundation for Canada's full participation in the 1976 United Nations Conference-Exposition on Human Settlements to be held in Vancouver. I hope this conference will be known as Habitat 2000.

I believe, Mr. Speaker, that this $100 million fund will be used to support urban projects in many critical areas. We need to develop innovative projects to show the effective working of new methods of house design and house construction, to demonstrate the feasibility of new, low energy urban systems, to illustrate new ways of getting the utmost value from scarce and expensive natural resources by recycling for multiple use, and to apply new technology to many other critical areas such as improved public transportation and arrangements for the financing, building and administration of new communities, or renewed communities.

The new fund is intended to launch a program of innovation in the urban field. It will apply to federal programs, provincial programs, and to programs developed by municipalities. It will also apply to projects put forward by the private sector and individual Canadians.

Innovation is a difficult thing to foster and support. This fund will be used to enable projects to embody desirable innovations that would not be possible without such additional support. For this reason, Mr. Speaker, it is not tied to any existing federal program but, rather, it can be used in a discretionary manner as opportunities and circumstances require.

● (1410)

Moreover, we intend to manage the program and fund so that the impact on innovation will be as pervasive as possible. I would hope that over the five years we can translate this initial $100 million into innovative projects valued at many times that figure.

It is difficult to say how many projects will be selected but I would hope that perhaps as many as 20 or more would be launched over the next two years. From those 20 or so projects, Mr. Speaker, a smaller number will be nominated as Canadian demonstration projects for inclusion in the United Nations conference. The program and fund will also be managed, of course, to ensure that all regions of the country share equitably in its benefits.

Proposals for demonstration projects can be put forward by federal departments and agencies, by provinces, by municipalities, by the private sector and by individual Canadians, including, I hope, as a result of the very keen interest of the members of this House. Proposals for projects should be sent to the Ministry of State for Urban Affairs, where a secretariat has been established to plan and implement Canada's participation in the United Nations conference.

In addition to interdepartmental and intergovernmental review the proposals will be subjected to a thorough evaluation of their potential effectiveness in solving urban problems and demonstrating solutions by a special committee which I have appointed to advise me on project selection. This group of experts is headed by Dr. Kenneth Hare of the University of Toronto and former president of the University of British Columbia.

This evaluation process, I should add, Mr. Speaker, will involve full consultation with other levels of governments, where necessary. Governments must press forward with immediate solutions employing existing methods and programs relating, for example, to housing and transportation. But we must also adopt measures to generate new approaches, to generate improved technology and innova-

tive solutions. That is the purpose of this program and of this announcement.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, today the minister has announced a $100 million urban demonstration program—I emphasize the word "demonstration"—and fund to be administered by himself. He will be the czar of this demonstration. The program will extend over a five-year period, from 1975-76 to 1980-81. The object is not to build houses; the object is to provide a strong foundation for Canada's participation in a conference to be held in Vancouver sponsored by the United Nations, dealing with the question of human settlements.

No one has any complaint about or criticism of that conference. The minister wants the conference to be known as Habitat 2000. That is one of the problems with this program; it will be the year 2000 before the minister will be able to build any houses for the Canadian people.

On the second page of his announcement is the thrust of his novel suggestion, a suggestion made at a time when there is a national housing crisis in Canada. In addition, the latest figures for the cost of living have just come out and the cost of living has never been higher. From 1972 to 1973 the average increase in the cost of housing in Vancouver was 32 per cent, in Calgary 23.2 per cent and in Toronto 29 per cent.

In face of this crisis, Mr. Speaker, let us analyse this demonstration program, which I say is a lot of fluff. We would have other names for it out west, but it is just straight bluff. The minister called it a program of innovation. I wondered just what the word "innovation" meant so I checked. It means "a program of change from the established custom; a program to create a new thing or a new method". I think it is a program of inhalation, because the minister must have been sniffing glue to bring in a program of this kind.

Let us see what this great program of the Liberal party is going to do. It is going to develop innovative projects. It is going to create new methods of house design and construction and low energy urban systems. It is going to apply, whatever that means, new technology in many areas. But it is not going to build one new house in Canada. There is a low housing vacancy rate right across this country, .6 per cent. Here we are at a time when there is a real housing shortage in Toronto and Vancouver as well as in other cities; at the present time the vacancy rate in Toronto and Vancouver is less than one per cent. People must have housing, but we are presented instead with a program to spend $100 million over five years to demonstrate the good will of the minister at a time when we have a national housing crisis.

Some hon. Members: Hear, hear!

Mr. Woolliams: The situation is chronic right across the land. Interest rates on first mortgages are 10 per cent to 12 per cent and on second mortgages 21 per cent, at a time when only 5 per cent of Canada's wage earners can afford to buy new houses in many cities. Yet the minister has decided now to present this bunch of bluff as a means of solving the national housing crisis.

Some hon. Members: Hear, hear!

[Mr. Basford.]

Mr. Woolliams: The only thing we lack is innovation in leadership. The only change that will bring about a new and effective housing program is a change of minister and, above all, a change of government.

I need not say more, Mr. Speaker, except—

Some hon. Members: Hear, hear!

Mr. Woolliams: Mr. Speaker, I should like to see those hon. members go back to their home cities which are experiencing these high costs in housing and clap there as they are clapping now in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Woolliams: The United Nations is, of course, the world organization for peace and security. I am always pleased to see Canada participate in any conference, but at a time when there is no peace of mind, at a time when we should be declaring war on the national housing crisis, the government is setting up a bluff of $100 million. It is a joke.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the program announced by the government involves wrong spending at the wrong time and in a completely wrong area. The minister said in his statement that this is a "demonstration program designed to foster projects that will find solutions to urban problems", and that it will also provide the foundation for Canada's participation in the 1976 United Nations Conference to be held, incidentally, in the city of Vancouver.

An hon. Member: In his own riding.

Mr. Broadbent: The minister said he wants this conference to be known as Habitat 2000. I suggest in all seriousness that all this program is going to mean is $100 million down the drain, of no help to people in meeting housing requirements in Canada.

Why do I say that, Mr. Speaker? First of all, the minister knows full well that under Part V of the National Housing Act his own department in the past few years has spent almost $100 million on grants for research and development. But what results have we seen from the expenditure of all that money on research and development? The first point to be made is that most of the information has not even been published. We have not had access to the studies that have been carried out by people in his department. Second, most of the studies that have been done have led to total inaction. We do not know what was in those studies, but we do know that they have not led to programs of any real significance produced by this minister. The most glaring example of the results of that research program is the Dennis report, a serious study of low income housing in Canada, but the minister did not have the decency to publish it and its conclusions did not come to light until the NDP got a copy and released it, following which the government produced a truncated version many weeks later.

● (1420)

We do not need more research at this time in respect of the problems of housing in urban Canada. If we do need more research and development it is in respect of the problems of housing in rural and northern Canada. That would be meaningful spending in terms of research and development. We have already been researched to death in terms of where 85 per cent of the population of Canada lives and do not need another dollar spent in that area.

I strongly suspect that the only reason—I will not say what I was about to say—that the government is spending $100 million in this area at this time is that the minister resides in the city of Vancouver. There is to be a conference there in 1976 and it will do him no political harm to pour lots of money into that area of the country. Otherwise, it is being spent to disguise the fact, in terms of urban Canada where 85 per cent of the people live, that no one will get a house in the next few years because the minister will say they are looking into that area and are going to come up with an imaginative new program.

I remind the minister of what happened in respect of Habitat. He says he hopes the conference will be known as Habitat 2000. What happened to Habitat in Montreal? I do not know how many millions of dollars of the taxpayers' money were spent on it. Who is living there now? Upper income Canadians. Those with very high salaries are living in that highly subsidized housing paid for by the majority of the taxpayers of Canada. That is what happened to Habitat in Montreal.

Some hon. Members: Hear, hear!

Mr. Broadbent: We can do without that kind of example. We need action and not more studies on housing. I remind the minister that his home province of British Columbia has set aside $100 million for housing, $50 million to be used for land assembly and $40 million to subsidize mortgage rates. In contrast the federal government with all its resources is spending just a little more than $300 million. An amount of $100 million is being spent by one province with an NDP government and $300 million is being spent by this inactive Liberal government.

Some hon. Members: Hear, hear!

Mr. Broadbent: The gentleman and lady on my right are doing some yelling. The hon. member for Calgary North (Mr. Woolliams) concluded his statement with a criticism of the government but presented not one iota of a solution from the Conservative Party. All they do is criticize.

I conclude with this observation. What is needed is action in two areas of housing policy that affect Canadians. One is interest rates. The situation is the same in England and the Labour Party is now acting in that regard. We need to tell the banks to make money available at 6 per cent and frankly say: You are not going to make a profit in that area, but so what? People need housing and you can make a profit in other sections of your investments; we are going to get investment money for housing. That is one thing. Second, the government needs to move in a serious way in respect of land assembly. If they would take this $100 million and add a little to it, there are in 15 cities across Canada 50,000 acres of quick-start land that could be bought up and put into land assembly, and that would drive down the price of housing.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the hon. Minister of State for Urban Affairs has just announced a $100 million program to promote initiatives for solving urban problems.

Mr. Speaker, never have the Canadian people, housing developers and Canadian municipalities been more slighted.

Is the minister implying that Canadians, municipalities and builders lacked initiative? I could give the minister and the government a long list of the most varied initiatives for municipal housing development and housing construction. From the point of view of research, I do not think the builders have remained idle either, because each day we hear about scores of new constructions and new proposals. For instance, besides traditional housing, we have heard about highrises, mobile homes, prefabricated units, modular, flying-saucer and low-cost houses. If the cost of houses keeps on rising, we will have to go back to tents and log cabins.

The cost of houses has become excessive, as well as the cost of installing the utilities that municipalities must provide when developing new housing projects.

Mr. Speaker, in northwestern Quebec for instances the director of the Central Mortgage and Housing Corporation office in Val-d'Or said recently that 2,000 new houses would be required in 1974 alone. But the problem is that there are not enough services to prepare the land needed to build these houses. The problems which the municipalities face are therefore not initiative problems but financial problems. They have to go on the market and borrow at and excessive rates, which prevents them from installing the required sewer and water systems and building the necessary streets.

Mr. Speaker, the House is well aware of the position of the Social Credit Party. On behalf of municipalities, these public bodies which exist not to make profits but to administer the common property of the community, we request Bank of Canada interest-free loans so that they may proceed with whatever developments are required to meet the demand of new houses.

Moreover, in order that Canadians may finally become the true owners of their houses, we request that the 11 per cent sales tax on building materials be abolished as soon as possible, that the excessive interest rates be lowered, and we shall see that instead of spending $100 million to try to finance new programs when we already do not now what to do with those we have, we can use this money to promote the construction of houses. Then Canadians will be happy.

Agriculture

[*English*]

COMBINES

POSSIBLE PRICE FIXING BY B.C. CEMENT COMPANIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, in view of the fact that two of British Columbia's major cement companies have increased prices twice since January 1 on the same day and in the same amounts, I move under Standing Order 43, seconded by the hon. member for Vancouver South (Mr. Fraser):

That the House set up an inquiry into these two cement companies in British Columbia to see if price fixing is still taking place in British Columbia in the cement industry.

Mr. Speaker: This motion requires unanimous consent. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1430)

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

PRICE FIXING BY B.C. CEMENT COMPANIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have a similar motion. I also rise pursuant to the provisions of Standing Order 43 on a matter of urgent and pressing necessity arising from the recent conviction and sentence imposed on the seven major cement companies in British Columbia under the Combines Investigation Act. In view of the fact that many of the projects were public projects and that the fine imposed does not necessarily relate to the public loss caused through this conspiracy I would move, seconded by the hon. member for Skeena (Mr. Howard):

That this House advises the Minister of Justice to obtain forthwith legal advice and thereafter commence civil proceedings to recover the loss suffered by the federal government on the many federal projects undertaken during the period of the conspiracy.

Mr. Speaker: Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

AGRICULTURE

REDUCTION IN PIG BREEDERS' INCOME—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I beg leave for unanimous consent to move a motion of urgent and pressing necessity. It has to do with the producers and consumers of food. I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House consider immediately the reason for a sharp decline in prices paid to hog producers without taking into account the rising increase in the price of feed, which dangerously jeopardizes the balance of their enterprise and, on the other hand, the delays in making consumers benefit from the lower prices of that commodity, and that the Food Prices Review Board be also requested to look immediately into this matter.

Mr. Speaker: The House has heard the motion of the hon. member. According to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

* * *

[*English*]

THE MINISTRY

COMPOSITION OF CABINET—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to ask permission of the House under the provisions of Standing Order 43 to move a motion which arises out of certain events which have occurred since October 30, 1972, and which occurred as recently as yesterday and last night in the House. I ask permission to move, seconded by the hon. member for Scarborough East (Mr. Stackhouse):

That it is the opinion of the House that a new form of coalition government exists in Canada and the House requests the Prime Minister to make a statement as to whether or not appointments will be made to the cabinet and to the Senate of members of the New Democratic Party in return for services rendered.

Some hon. Members: Oh, oh!

Mr. Speaker: I assume there is not unanimity. The hon. member for Skeena.

An hon. Member: Senator Howard!

* * *

TRANSPORT

SHORTAGE OF RAILWAY CARS FOR B.C. LUMBER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I wish I had had the opportunity to second that last motion—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Howard: —in order that in the ensuing debate I could have pointed out the true economic conspiracy that exists between the old-line parties.

An hon. Member: Why did you vote the way you did last night?

Mr. Howard: My friend wants to know why I voted the way I did last night. I would be glad to explain to him except that with his limited intelligence he would not understand.

Mr. Speaker: Order, please. I hope the hon. member does not want to do that under Standing Order 43.

Mr. Howard: Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 to seek consent of the House to move a motion of urgent and pressing necessity relating to the continuing shortage of boxcars for the shipment of lumber products, which was brought into focus yesterday by the decision of the government to make a gift of $3.4 million to Canadian National and Canadian Pacific Railways to repair old boxcars and by the decision of Canadian National to spend $36 million to buy hopper cars to transport potash. I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House urges the government and the CNR immediately to take action relating to railway cars for lumber shipping purposes similar to that taken with respect to railway cars for the shipment of grain and potash.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

INDUSTRY

AUTOMOBILES—KNOWLEDGE OF MINISTER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry O'Connor (Halton): Mr. Speaker, I have a motion which the NDP has agreed to second.

Some hon. Members: Oh, oh!

Mr. O'Connor: I rise, pursuant to Standing Order 43, to seek consent of the House to move a motion of pressing and urgent necessity. In view of the obvious and lamentable lack of knowledge displayed yesterday by the Minister of Industry, Trade and Commerce (Mr. Gillespie) about investment and pricing trends in the Canadian automotive industry I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House instruct the minister to familiarize himself with the latest relevant data in this industry so that Canadian interests may be protected when negotiating with Washington.

Mr. Speaker: Order, please. The Chair takes issue with the form of this motion. Hon. members know very well that motions proposed under Standing Order 43 should not be prefaced by allegations or accusations when hon. members who may be the subject of these allegations and charges have no opportunity to rebut. I invite hon. members to be careful when drafting a proposal under the terms of Standing Order 43. We have had five or six such motions already today and there are other hon. members who want to propose motions. I suggest to hon. members that there can easily be an abuse of the Standing Order if they proceed in this way. The hon. member for Nickel Belt.

* * *

LABOUR CONDITIONS

DECREASE IN FULL-TIME AND INCREASE IN PART-TIME JOBS FOR WOMEN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the revelation by Statistics Canada on March 12, 1974, of a seasonally adjusted figure showing that full-time jobs for women have declined by 41,000 over the one-month period of February, 1974, in view of the fact that Statistics Canada also reports a seasonally adjusted figure of a 40,000 job increase in part-time jobs for women over the same period, and in view of the serious implications these drastic fluctuations hold for women in the labour force, I move, seconded by the hon. member for Vancouver Kingsway (Mrs. MacInnis):

That this House instruct the Minister of Labour to investigate immediately and to report to the House the causes of these fluctuations.

Mr. Speaker: The Chair is tempted again to take exception to the form of the motion proposed by the hon. member. I suggest that these motions should not be preceded by that which, to the Chair in any event, sounds like a speech. That is the impression I have from the introductory remarks of the hon. member. Having said that, I will inquire whether there is unanimous consent.

Some hon. Members: No.

Mr. Speaker: The hon. member will have heard that there is not unanimity in this respect.

* * *

BRITISH NORTH AMERICA ACTS, 1867 TO 1965

PROVISION OF REPRESENTATION IN THE SENATE FOR THE NORTHWEST TERRITORIES AND THE YUKON

Hon. Allan J. MacEachen (President of the Privy Council) moved for leave to introduce Bill C-11, to amend the British North America Acts, 1867 to 1965.

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

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)
[*Text*]

TESTING OF CONAT BLUE FLAME BURNER

Question No. 37—**Mr. Hellyer:**

Has the government tested the CONAT Blue Flame Burner and, if so, what were the results of the test?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: A prototype burner, of the small industrial size, produced by CONAT Industries, was fired in the experimental tunnel furnace at the Canadian Combustion Research Laboratory (CCRL), Department of Energy, Mines and Resources, during May 1972. The burner was installed and operated for four hours by representatives of CONAT Industries, and CCRL staff assisted by making a series of measurements of waste gas composition and temperature. This prototype burner did not have an automatic ignition system, nor a flame failure protection device, which would be required to become a marketable product. No other small industrial burners were compared, under identical conditions, to the CONAT system.

*KARL KRISTIAN RING

Question No. 40—**Mr. Hellyer:**

1. On what date in 1972 did Karl Kristian Ring enter Canada?

2. Has he been in Canada continuously since that date and, if not, what was the date of his latest entry?

3. Did he have a valid passport at the time of entry and, if so, from what country?

4. Did he have a valid visa at the time of entry and, if so, in what place was it issued?

5. On what date did the Department of Manpower and Immigration order his deportation?

6. On what date was the deportation order appealed?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the answers to the six parts of this question are: 1. May 28, 1972.

2. No, September 28, 1972.

3. Yes, the Federal Republic of Germany.

4. No.

5. July 30, 1973.

6. July 30, 1973.

CONSTRUCTION OF MAINTENANCE BUILDING, ELGIN, ONTARIO

Question No. 44—**Mr. Cossitt:**

1. With reference to the answer to Question No. 3,310 of the First Session of the 29th Parliament that tenders have been called for construction of a division maintenance building by the Department of Indian Affairs and Northern Development at Elgin, Ontario (a) on what date were such tenders called (b) on what date did tenders close (c) from whom were tenders received (d) what was the amount of each tender (e) who was the successful bidder?

2. Was the call for tenders publicly advertised and, if so (a) in what publications (b) on what dates?

3. If the call for tenders was not publicly advertised, were invited tenders extended and, if so (a) to whom (b) on what dates?

4. Who drew the plans for the building to be built at Elgin, Ontario?

[Mr. MacEachen.]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) November 30, 1973; (b) official tender closing time: December 20, 1973 at 3.30 p.m. (E.S.T.). A sudden 12" snowfall on that date created almost impassable road conditions in the Ottawa area with the result that no bids arrived at the designated receiving office by the official tender closing time. Within minutes after the closing time, a telephone call was received from a representative of Smith Building System & Supply Ltd., Kingston, advising that, in attempting to deliver his firm's bid, he had become stranded in Ottawa some distance from the tender receiving office and was unable to proceed further. This firm's tender eventually was delivered by hand on the morning of December 21, 1973. Under these abnormal conditions and in view of the pressing need for the maintenance building, it was agreed, in consultation with the Legal Counsel of the Canadian Construction Association and departmental officials, to canvass all other plan takers to determine if they too had attempted to deliver bids on or before the official tender closing time and, if so, to formally establish a later closing date in order that their bids might be considered; otherwise, to open and consider the sole bid received. (c) After verification that no other plan takers had bid on the project, the tender of Smith Building Systems & Supply Ltd., Kingston, was duly opened by the Tender Opening Committee at 2 p.m. December 21, 1973; (d) the sole tender received was for a fixed price of $160,298; (e) Smith Building Systems & Supply Ltd., Kingston, Ontario.

2. Tender were publicly advertised as follows: (a) *Citizen,* Ottawa; *Journal,* Ottawa; *Whig-Standard,* Kingston; *Daily Commercial News,* Toronto. (b) Daily issues of November 30 and December 1, 1973. Plans and specifications were also sent to Ottawa and Kingston Builders' Exchange.

3. Not applicable.

4. C. A. Richards & Assoc., Ottawa, Ontario.

COST OF OPERATING PRIME MINISTER'S OFFICE

Question No. 52—**Mr. Cossitt:**

With reference to the answer to Question No. 3,073 of the First Session of the 29th Parliament, what are all the principal reasons why the cost of operating the Prime Minister's Office has risen from $900,839 in 1970-71 to an estimated $1,486,814 by the year 1973-74 when there has been an increase of only three persons in the total staff during this time?

Right Hon. P. E. Trudeau (Prime Minister): The principal items contributing to the increase in the estimated 1973-74 expenditure over the 1970-71 expenditure include funding of the Special Study on the National Capital, Great Plains Project (reply to Question No. 3,327 in the First Session of the 29th Parliament refers), Western Economic Opportunities Conference (the portion payable from PMO funds), plus the general increase which has occurred in salary budgets since 1970-71 and the three new man-years.

FEES PAID TO LAWYERS FOR LEGAL WORK IN PEI

Question No. 53—Mr. Cossitt:

What was the total sum of money paid between April 1, 1972 and March 31, 1973 to each of the lawyers in the Province of Prince Edward Island listed in the answer to Question No. 2,271 of the First Session of the 29th Parliament?

Hon. Otto E. Lang (Minister of Justice):

Prince Edward Island

Name	Place	Amount
		$
Bell, Morley	Summerside	15.77
Ghiz, J. A.	Charlottetown	2,132.80
Large, Frederick A.	Charlottetown	5,503.44
Macdonald, G. Bruce	Summerside	2,739.20
Macdonald, Kenneth R.	Montague	283.00
MacLeod, Neil R.	Summerside	1,982.50
McMahon, George R.	Summerside	1,710.00
Mullally, George J.	Charlottetown	314.75
O'Donnell, Lester	Charlottetown	166.00
Sigsworth, D. F.	Charlottetown	4,395.00
Tweedy, G. G.	Charlottetown	1,474,78

FEES PAID TO LAWYERS FOR LEGAL WORK IN MANITOBA

Question No. 57—Mr. Cossitt:

What was the total sum of money paid between April 1, 1972 and March 31, 1973 to each of the lawyers in the Province of Manitoba listed in the answer to Question No. 2,275 of the First Session of the 29th Parliament?

Hon. Otto E. Lang (Minister of Justice):

Manitoba

Name	Place	Amount
		$
Browley, Paul H.	Winnipeg	273.25
Dewar, A. S.	Winnipeg	3,548.49
Dilts, Gordon C.	Winnipeg	838.66
Ferg, Patrick	Flin Flon	2,187.35
Margolis, David	Winnipeg	580.00

FEES PAID TO LAWYERS FOR LEGAL WORK IN NEWFOUNDLAND

Question No. 59—Mr. Cossitt:

What was the total sum of money paid between April 1, 1972 and March 31, 1973 to each of the lawyers in the Province of Newfoundland listed in the answer to Question No. 2,277 of the First Session of the 29th Parliament?

Hon. Otto E. Lang (Minister of Justice):

Newfoundland

Name	Place	Amount
		$
Adams, W. G.	St. John's	745.39
Aylward, Fintan J.	St. John's	30,569.31
Barry, Leo D.	St. John's	1,748.03
Bartlett & Co.	St. John's	656.00
Bartlett, Rupert W.	St. John's	296.00
Carter, Alan William	St. John's	439.43
Clarke, George W.	St. John's	830.00
Curtis, Dawe & Fagan	St. John's	150.00
Fowler, F. P.	St. John's	126.55
Hawco, L. C.	Corner Brook	75.00
Lewis, Aylward & Crosbie	St. John's	330.50
Lewis, P. D.	St. John's	6,333.28
Martin, Easton & Woolridge	Corner Brook	9,456.88
Matthews, Claude	Grand Falls	5,625.76
Sparkes, David B.	St. John's	3,566.94
Wells, Clyde	Corner Brook	1,131.10

DEPARTMENT OF SUPPLY AND SERVICES—PRINTING CONTRACTS

Question No. 75—Mr. Cossitt:

1. How many printing orders were placed on behalf of the government by the Department of Supply and Services during the past fiscal year?

2. In how many cases were tenders called prior to the placing of such orders and were such tenders invited from a selected list or obtained by public advertisement?

3. Were there any cases where printing orders were placed without competitive bids being obtained and, if so, how many?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Seven thousand nine hundred one.

2. Invitations to tender were issued in approximately 95 per cent of the cases. Tenders were invited from source lists of known qualified suppliers.

3. Yes. There were a few cases where printing orders were placed without competitive bids being obtained, generally for low dollar value or urgent requirements. Occasionally a sole source existed for the product required. Data maintained by DSS is limited to indicating whether the contract was the result of competitive tender or negotiated. Negotiated contracts included those which resulted from a single reply to a competitive tender call, a sole source of supply, or for urgent requirements which precluded the issue of invitations to tender.

APPOINTMENT OF MR. J. S. HACKETT AS POSTMASTER AT KINGSTON, ONTARIO

Question No. 76—Mr. Cossitt:

1. On what date was Mr. J. S. Hackett appointed Postmaster at Kingston, Ontario and what is his present salary?

2. Was Mr. Hackett appointed as a result of a competition being held and, if so, what was the date of the competition and how many persons were entered in such a competition?

3. What previous positions has Mr. Hackett held in the Public Service, if any, and what were the dates and locations in each case?

Hon. André Ouellet (Postmaster General): 1. January 30, 1964; $13,070-14,852.

2. Yes, Mr. Hackett was appointed as a result of a closed promotion competition. It is not possible to provide further details as the competition file has been destroyed. It is policy to destroy these files after two years.

Order Paper Questions

3. Date	Position held	Location
1-9-41	Temporary Postal Clerk	Kingston, Ontario
29-9-41	Temporary Letter Carrier	Kingston, Ontario
28-7-42	Temporary Postal Clerk	Kingston, Ontario
1-1-45	Temporary Letter Carrier	Kingston, Ontario
29-1-45	Temporary Postal Clerk	Kingston, Ontario
1-1-54	Permanent Postal Clerk	Kingston, Ontario
3-11-58	Postal Officer 1	Kingston, Ontario
1-7-60	Postal Officer 2	Kingston, Ontario
26-2-62	Postal Officer 4	Kingston, Ontario
28-1-63		
31-12-63	Acting Postmaster Grade 12	Kingston, Ontario
1-1-64	Reverted to Postal Officer 4	Kingston, Ontario
30-1-64	Postmaster Grade 12	Kingston, Ontario
1-10-67	Program Admin. Level 3 (change in class title)	Kingston, Ontario
1-7-72	Program Admin. Level 4 (Reclassification to Area Postmaster)	Kingston, Ontario

APPOINTMENT OF MR. J. S. HACKETT AS POSTMASTER AT KINGSTON, ONTARIO

Question No. 77—**Mr. Cossitt:**

Was veteran's preference a factor considered in the appointment of Mr. J. S. Hackett as Postmaster at Kingston, Ontario and, if so, during what period of time did Mr. Hackett serve in the Canadian Armed Forces and in what capacity?

Hon. André Ouellet (Postmaster General): No. The Public Service Employment Act stipulates that veteran's preference is only extended to applicants in open competition.

POST OFFICE, KINGSTON, ONTARIO—PAYROLL RECORDS

Question No. 78—**Mr. Cossitt:**

What are the full names and job designations of all persons responsible for keeping any payroll records whatsoever at the Post Office in Kingston, Ontario, since 1962?

Hon. André Ouellet (Postmaster General): Mr. P. Rouleau, Personnel Clerk; Mrs. K. Harrison, Secretary (assists as required); Miss J. A. Fowler, Clerical Support; Mrs. H. Raymond, (Temporarily replacing Mr. P. Rouleau who is absent on extended sick leave). In addition, Mr. S. Begg, former Assistant Postmaster, Mr. H. Cottrell, present Assistant Postmaster, and Mr. R. Burns, Post Office Level 6, who has replaced as both Postmaster and Assistant, have also been involved in payroll administration.

POST OFFICE, KINGSTON, ONTARIO—EMPLOYMENT OF MR. PAUL ROULEAU

Question No. 79—**Mr. Cossitt:**

1. Is or was a Mr. Paul Rouleau an employee of the Post Office at Kingston, Ontario and, if so, during what period of time has he been so employed?

2. What is a full description of his duties and specifically did such duties include keeping records of any kind at any time in connection with persons employed by the Post Office Department during the Christmas rush season?

3. What is the full name and job designation of all persons in the Kingston Post Office under whom Mr. Rouleau carried out his work?

Hon. André Ouellet (Postmaster General): 1. Mr. Paul Rouleau has been employed in the Kingston Post Office since February 12, 1966.

[Mr. Ouellet.]

2. Since December 5, 1966, he has performed the duties of Personnel Records Clerk, which entails keeping employee records, pay administration, benefits, etc., including persons employed during the Christmas rush.

3. Specifically, Mr. Rouleau reported directly to Mr. Hackett, Postmaster, but in his absence reported to Mr. S. Begg, former Assistant Postmaster, and the present Assistant, Mr. H. Cottrell. He has also reported to Mr. R. Burns when he temporarily acted as Postmaster and Assistant Postmaster.

POST OFFICE, KINGSTON, ONTARIO—EMPLOYMENT OF MR. DAVID SOPER

Question No. 80—**Mr. Cossitt:**

Is or was Mr. David Soper an employee of the Post Office Department at Kingston, Ontario and, if so, what is the job designation involved, on what date was he appointed, on whose recommendation and on what date?

Hon. André Ouellet (Postmaster General): Yes. He was appointed as a Letter Carrier effective September 24, 1959. He applied in an open competition, passed the qualifying examination and subsequent oral board, and when his name was reached on the eligible list, was appointed in the same manner as any other candidate.

CMHC—LAWYERS RETAINED IN PEI DURING 1972

Question No. 92—**Mr. Cossitt:**

What were the names and addresses of all lawyers employed by Central Mortgage and Housing Corporation during the past fiscal year in the Province of Prince Edward Island and what was the total amount of money paid to each individual?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: For loans approved in 1972 in the province of Prince Edward Island, the following lawyers were retained by CMHC for legal work in connection with CMHC direct loans: Charlottetown: J.A. Ghiz, Frederick A. Large, Kenneth MacDonald, Robert G. MacLeod, G. Gordon Tweedy; Souris: George J. Mullally; Summerside: J. Melville Campbell, G. Bruce MacDonald, Neil MacLeod. Legal fees in connection with CMHC direct loans are paid by the borrowers and CMHC, therefore, has no record of the amounts paid to these lawyers.

PUBLIC RELATIONS AND/OR INFORMATION OFFICERS

Question No. 115—**Mr. McKinnon:**

With reference to the answer to Question No. 1,896 of the First Session of the 29th Parliament on July 4, 1973 (a) what was the average annual pay for the 309 public relations and/or information officers employed by government departments and agencies in Ottawa and Hull in 1968 (b) what was the average annual pay for the 546 public relations and/or information officers employed by government departments and agencies in Ottawa and Hull in 1972?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): (a) $10,607.13; (b) $14,997.48

CANADIAN ARMED FORCES—REQUESTS FOR REDRESS OF GRIEVANCE

Question No. 116—**Mr. McKinnon:**

1. How many requests for redress of grievance were submitted to Commanding Officers by officers and men of the Sea Element during April, May and June of 1973, over the application of Canadian Forces Administration Order 17-3?

2. As of October 15, 1973 (a) how many of the above requests were forwarded for the Minister's attention (b) what was the status of the balance of these requests?

Hon. James Richardson (Minister of National Defence): 1. Thirty-one.

2. As of October 15, 1973 (a) two; (b) all grievances have been resolved.

BREAKWATERS EXPENDITURE BETWEEN TURKEY POINT AND MARY TOD ISLAND

Question No. 119—**Mr. McKinnon:**

With reference to the answer to Question No. 2,966 of the First Session of the 29th Parliament, of the $527,899 expended on the breakwaters built or extended between Turkey Point and Mary Tod Island near Victoria, British Columbia (a) how much of the money was expended by the government (b) if money other than government money was expended, what was the amount spent by each participant?

Hon. Jean-Eudes Dubé (Minister of Public Works): (a) $527,899; (b) nil.

GOVERNMENT CONTROL OVER EXPANSION OF COMMERCIAL FACILITIES AT BREAKWATERS

Question No. 120—**Mr. McKinnon:**

With reference to the answer to Question No. 3,188 of the First Session of the 28th Parliament concerning the commercial facilities provided sheltered waters by the government-constructed breakwaters (a) what control over the expansion of the commercial facilities does the government have (b) has the government exercised any control of this nature to date and, if so, how much (c) does the government anticipate exercising any such control in the next two years?

Hon. Jean-Eudes Dubé (Minister of Public Works): (a) The federal government has control over the expansion of the commercial facilities only in so far as navigation is concerned under the Navigable Waters Protection Act. (b) The original marina was approved under the NWPA on January 8, 1959 and the expansion of the marina was approved under this Act on January 11, 1972. (c) Not known at this time.

FIREWOOD REQUIREMENTS AT KEJIMKUJIK NATIONAL PARK

Question No. 124—**Mr. Crouse:**

1. Were tenders called this fall for firewood requirements at Kejimkujik National Park and, if so (a) how many companies or individuals tendered on this project (b) what were their names (c) what was the amount of their bid?

2. What is the name of the successful contractor and the amount of his bid?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes (a) Four. (b) 1. Willis G. Forrest Ltd., Caledonia, Nova Scotia; 2. Raleigh Rowter, Maitland Bridge, Nova Scotia; 3. R. D. Anthony, Kempt, Nova Scotia; 4. Leon Rawding, Caledonia, Nova Scotia. (c) 1. No bid; 2. $48 per cord; 3. $48.90 per cord; 4. No bid.

2. Raleigh Rowter at $48 per cord.

NOTE: The Department of Indian Affairs and Northern Development requested that the standing offer arranged with Raleigh Rowter be withdrawn and tenders were invited for slabwood (softwood) from:

Name	Price
R. D. Anthony, Kempt, N.S.	No bid
Leon Rawding, Caledonia, N.S.	$7 per cord
Raleigh Rowter, Maitland Bridge, N.S.	$15 per cord
Willis, G. Forrest, Caledonia, N.S.	No bid
Randall Silver, North Brookfield, N.S.	No bid
N.F. Douglas & Co., Caledonia, N.S.	No bid
Milton Rhodemizer, Parkdale, Barss Corner, N.S.	$5 per cord

A new Standing Offer was arranged with the lowest tenderer, Milton Rhodemizer at $5 per cord.

RENTAL OF MOTOR VEHICLE AT KEJIMKUJIK NATIONAL PARK

Question No. 125—**Mr. Crouse:**

1. Were tenders called this fall for the rental of motor vehicles at Kejimkujik National Park and, if so (a) how many companies tendered on this project (b) what were the names of such companies (c) what was the amount of their bid?

2. What is the name of the successful contractor and the amount of his bid?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes. (a) Six. (b) and (c) Rafuse Leasing Ltd., Bridgewater, $61,056; Everitt & Smith Ltd., Bridgetown, 63,666; Budget Rent A Car, Halifax, 66,060; McDonald Chev-Olds. Ltd., Halifax, 66,420; Scotia Leasing Ltd., Halifax, 71,028; C. J. Slauenwhite Ltd., Lawrencetown, 72,612.

2. Rafuse Leasing Ltd., 61,056.

NOTE: The above information relates to 13 vehicles (two sedans, two station wagons and nine pickup trucks) forming part of the Indian Affairs and Northern Development requirement. The remaining vehicle required (one 26,000 pound stake truck) was the subject of a separate tender call and the following information applies:

1. Yes. (a) Two. (b) and (c) Rafuse Leasing Ltd., Bridgewater, 12,060; McDonald Chev-Olds. Ltd., Halifax, 13,500.

2. Rafuse Leasing Ltd., 12,060.

FUTURE SITE OF NATIONAL GALLERY

Question No. 145—**Mr. Gauthier (Ottawa-Vanier):**

1. Due to the rumours and the uncertainty in the public at large about the future site of the National Gallery of Canada, has a decision been taken as to the site of this new and important building?

2. What sites are actually under consideration for the construction of the National Gallery?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the National Museums of Canada as follows: 1. No decision has yet been taken as to the site of a new National Gallery building. The Board of Trustees of the

National Museums of Canada is examining the accommodation requirements of all its museums and will be bringing forward for consideration their proposals and priorities including, of course, the future of any new building for the National Gallery. These recommendations will then be discussed with my colleagues the Minister of Public Works and the Minister of State for Urban Affairs.

2. In view of the confidentiality of the current discussions, it would not be advisable to identify the several sites under consideration in the National Capital Region.

REVENUE FROM SALES TAX ON BUILDING MATERIAL

Question No. 146—**Mr. Marshall:**

What revenue has been derived by the government each year from the 11 per cent sales tax on building materials since the tax was levied?

Hon. Robert Stanbury (Minister of National Revenue): In so far as National Revenue is concerned: The tax on building materials was introduced on June 14, 1963. However, revenue statistics were not available until 1967 when the general sales tax rate was changed to 12 per cent while the tax on the specific building materials listed in Schedule V of the Excise Tax Act remained at 11 per cent. The department was thus enabled to identify the revenue derived from the sale of those building materials taxable at the lesser rate. This was done until March 1972. At that time, in order to ease the tax accounting burden of taxpayers, the practice of having them report those taxes being paid at the 11 per cent rate separately from those being paid at the 12 per cent rate was discontinued. Accordingly, statistics with respect to revenue derived from the 11 per cent tax on building materials are not available for the period prior to 1967 and subsequent to March 1972. The amounts set out below represent the revenue derived from the 11 per cent sales tax on building materials during those fiscal years for which statistics are available. 1967-1968, $226,650,497; 1968-1969, $212,905,892; 1969-1970, $223,-719,276; 1970-1971, $207,654,246; 1971-1972, $249,973,653.

NATIONAL DEFENCE—PROJECTED EXPENDITURES FOR NEW EQUIPMENT

Question No. 163—**Mr. Forrestall:**

What specific guarantees are built into the recently announced Program of Modernization and Renewal for the Department of National Defence to ensure that this program will result in a spending of "almost 20 per cent of the total budget" on new equipment "by the end of the 70's" as indicated in the Minister's statement to the Press October 10, 1973?

Hon. James Richardson (Minister of National Defence): The new financing arrangements announced last autumn provide for specific amounts to be allocated annually for the next five years for the defence program as a whole, rather than for individual components of it such as the purchase of new equipment. Preliminary targets for capital expenditure have however been established, based on these totals and on projections of personnel, operations and maintenance costs reflecting the experience of recent years. These targets envisage an increase in capital expenditure from $245 million this year to $530 million by 1978-79. While there is no specific guarantee, it is reasonable to expect that actual expenditure for new equipment will approximate these targets and hence, as indicated in the announcement, will amount to almost 20 per cent of the total defence budget by the end of the decade.

NATIONAL DEFENCE—FIVE YEAR NATIONAL DEFENCE BUDGET

Question No. 164—**Mr. Forrestall:**

Is the 7 per cent limit placed upon increases during the next five years in the budget of the Department of National Defence, as announced to the Press by the Minister October 10, 1973, to be calculated (a) as a percentage of the 1973-1974 budget (b) as a percentage of the total budget for the fiscal year coming immediately prior to the fiscal year in which the increase is to be applied?

Hon. James Richardson (Minister of National Defence): The increase will be calculated as 7 per cent of the total budget for the base year of 1973/74 and for each of the subsequent five years using as the base the immediate past fiscal year.

NATIONAL DEFENCE—FIVE YEAR BUDGET

Question No. 165—**Mr. Forrestall:**

In real and constant dollars based on the 1973-1974 fiscal year level and adjusted annually to remove increases caused by inflation, what will the level of the Department of National Defence budget be for the next five years of the recently proposed planning cycle announced by the Minister October 10, 1973?

Hon. James Richardson (Minister of National Defence): Since the inflation rates during the next five years are unknown, the respective DND budget levels cannot be calculated in constant 1973/74 dollars.

DEPARTMENT OF NATIONAL DEFENCE—BUDGETARY PROJECTIONS FOR NEXT FIVE YEARS

Question No. 166—**Mr. Forrestall:**

What specific dollar levels, if any, are proposed in the next five fiscal years of Department of National Defence budgeting for (a) total budget to be sought from Parliament (b) pay and allowances for personnel (c) new capital equipment (d) operation and maintenance costs (e) NATO contributions (f) other expenditures expressed as well in percentage figures?

Hon. James Richardson (Minister of National Defence): (a) Starting with the 1973/74 base of $2,241 million the following budgetary levels are proposed:

Year	Budget ($ Million)
1974/75	2,361
1975/76	2,518
1976/77	2,690
1977/78	2,874
1978/79	3,006

Within the financial budget the following components are proposed for 1974/75.

Category	($ Million)	Percentage
(b) Pay and Allowances for personnel.....	1,600	67.78
(c) New Capital Equipment.....	288	12.20
(d) Operations and Maintenance costs.....	442	18.69

Category	($ Million)	Percentage
(e) NATO contributions excluding personnel, capital (equipment) and Operations and Maintenance	18	0.77
(f) Other expenditures	13	0.56
Total	2,361	100.00

Detailed projections beyond 1974/75 are not available in this form.

DEPARTMENT OF NATIONAL DEFENCE—INCREASE IN 1974-75 BUDGET

Question No. 167—**Mr. Forrestall:**

By what percentage will the 1974-1975 budget for the Department of National Defence be increased over the 1973-1974 budget, as announced recently by the Minister in his Modernization and Renewal Program?

Hon. James Richardson (Minister of National Defence): Excluding the quinquennial adjustment and items additional to the formula base of $20 million in the 1973/74 fiscal year, the National Defence budget will increase by 7 per cent in the fiscal year 1974/75.

DEPARTMENT OF NATIONAL DEFENCE—INCREASE IN 1975-76 BUDGET

Question No. 168—**Mr. Forrestall:**

By what percentage will the 1975-1976 budget for the Department of National Defence be increased over the 1974-1975 budget, as announced recently by the Minister in his Modernization and Renewal Program?

Hon. James Richardson (Minister of National Defence): The increase will be 7 per cent.

DEPARTMENT OF NATIONAL DEFENCE—INCREASE IN 1976-77 BUDGET

Question No. 169—**Mr. Forrestall:**

By what percentage will the 1976-1977 budget for the Department of National Defence be increased over the 1975-1976 budget, as announced recently by the Minister in his Modernization and Renewal Program?

Hon. James Richardson (Minister of National Defence): The increase will be 7 per cent.

DEPARTMENT OF NATIONAL DEFENCE—INCREASE IN 1977-78 BUDGET

Question No. 170—**Mr. Forrestall:**

By what percentage will the 1977-1978 budget for the Department of National Defence be increased over the 1976-1977 budget, as announced recently by the Minister in his Modernization and Renewal Program?

Hon. James Richardson (Minister of National Defence): The increase will be 7 per cent.

DEPARTMENT OF NATIONAL DEFENCE—INCREASE IN 1978-79 BUDGET

Question No. 171—**Mr. Forrestall:**

By what percentage will the 1978-1979 budget for the Department of National Defence be increased over the 1977-1978 budget, as announced recently by the Minister in his Modernization and Renewal Program?

Hon. James Richardson (Minister of National Defence): The increase will be 7 per cent.

NATIONAL DEFENCE—ACTUAL/PROJECTED STRENGTH LEVELS

Question No. 172—**Mr. Forrestall:**

As part of the recently announced Modernization and Renewal Program for the Canadian Armed Forces, has the Department of National Defence projected levels of actual strength for the Forces over the next five years and, if so, what are the actual levels of manpower broken down into regular and civilian components anticipated as opposed to the authorized strengths in this five year planning cycle?

Hon. James Richardson (Minister of National Defence): The objective of the modernization and renewal program is to improve over-all military capability which can only be done through an appropriately balanced relationship of capital equipment and construction, operation and maintenance costs, and personnel. The Department of National Defence currently expects the strength of the Armed Forces and the number of DND civilian employees to remain at or near their present levels over the next five years.

NATIONAL DEFENCE—HOUSING, 1974-1979

Question No. 173—**Mr. Forrestall:**

What specific funding levels are anticipated by the Department of National Defence in terms of modernizing existing married quarters over and above anticipated levels of continuing operational cost for each of the next five fiscal years, as indicated in the statement by the Minister on Modernization and Renewal October 10, 1973?

Hon. James Richardson (Minister of National Defence): The Department of National Defence anticipates the allocation of $3 million per year for each of the next five fiscal years, 1974/75—1978/79, towards the modernization of existing married quarters throughout the Canadian Forces Bases and Stations located in Canada. This allocation will be over and above any other expenditures for routine maintenance and operation of the married quarters.

NATIONAL DEFENCE—UPGRADING OF AIRFIELD FACILITIES

Question No. 174—**Mr. Forrestall:**

What specific dollar levels have been allocated to upgrade airfield facilities in Canada by the Department of National Defence for the next five years as referred to in the Minister's announcement to the Press of October 10, 1973?

Hon. James Richardson (Minister of National Defence): The funds allocated by the Department of National Defence for the planned upgrading of airfield facilities for the next five years is estimated at $12,701,000. This is subject to Treasury Board approval. Of the funds now allocated for fiscal year 1974-75 $2.4 million will be a carryover from contracts already in progress in this fiscal year. However, $2.5 million will spill into fiscal year 1979-80, the year following the five-year program period to complete the required projects.

Order Paper Questions

CIVIL EMERGENCY FINANCIAL ASSISTANCE PROGRAM REDUCTION

Question No. 175—**Mr. Forrestall:**

What specific written communications and consultations with provincial and territorial authorities preceded the decision by the Minister of National Defence to reduce by half the annual budget for the Civil Emergency Financial Assistance Program?

Hon. James Richardson (Minister of National Defence): The Department of National Defence is in continuous communication and consultation with provincial and territorial authorities concerning civil emergency matters. Although there was no written communication with other levels of government prior to the decision to reduce the national defence civil emergency financial program, in making the announcement, the Minister of National Defence stated that detailed consultations would be held with provincial and territorial authorities prior to the reduction of Emergency Measures grants coming into effect commencing April 1, 1974.

MODERNIZATION AND RENEWAL OF THE DEFENCE PROGRAM

Question No. 176—**Mr. Forrestall:**

For what reason did the Minister of National Defence choose to announce his proposed program for funding that Department over the next five years by way of press conference rather than by way of a statement in the House of Commons?

Hon. James Richardson (Minister of National Defence): Prior consultations with U.S. and NATO authorities, as well as preparation for advance notification of municipal and provincial authorities concerning the modernization and renewal program for the Canadian Forces had to be made. However, once these arrangements were made it was essential there be no delay. These arrangements could not be completed before October 10, 1973, a day on which the House was not in session.

NATIONAL DEFENCE—PERCENTAGE INCREASE IN COST OF GOODS AND SERVICES

Question No. 177—**Mr. Forrestall:**

What has been the percentage increase in the total cost of all goods and services supplied to the Department of National Defence in each of the past three fiscal years?

Hon. James Richardson (Minister of National Defence): The percentage increase in the total cost of goods and services supplied to the Department of National Defence over the years in question are as follows: 1970-71, 2.1 per cent; 1971-72, 6.2 per cent; 1972-73, 4.3 per cent.

NATIONAL DEFENCE—FINANCIAL PROVISIONS, VIET NAM, LAOS AND CAMBODIA

Question No. 179—**Mr. Forrestall:**

With respect to the report of the Auditor General for the fiscal year ended March 31, 1973, and Article 41 therein, for what reason are the accounts flowing from the Canadian government's involvement in (a) Cambodia (b) Laos (c) Viet Nam headed by the Department of External Affairs not charged to the Department rather than to the Department of National Defence?

[Mr. Richardson.]

Hon. James Richardson (Minister of National Defence): Participation of the Canadian Forces in peacekeeping or truce supervisory operations is a long established role assigned to the Armed Forces by successive Canadian governments. Financial provisions to carry out authorized tasks within this role is the responsibility of the Department of National Defence. The financial arrangements with the appropriate international bodies for Canadian participation in international peacekeeping or truce supervisory operations are negotiated by the Department of External Affairs with the assistance of the Department of National Defence. Financial provisions for the DND portion of the costs to the Canadian government are made by the Department of National Defence, under the authority of the government decision or order which authorized Canadian participation in the operation. When the negotiated agreement for Canadian participation includes reimbursement from international bodies, for example from a United Nations common fund, the Department of National Defence submits invoices for reimbursement from that fund through the Department of External Affairs.

NATIONAL DEFENCE—CIVILIAN PERSONNEL, CFB OTTAWA

Question No. 184—**Mr. Forrestall:**

1. How many man-years of employment are anticipated in each of the following projects for which tenders have been issued (a) interior painting of 123 PMQs, file WA 366 10 (b) supply and install power humidifiers and rewiring of furnaces in 156 PMQs, file WA 303 10 (c) exterior painting various buildings CFB Ottawa, file WA 370 10 (d) supply and erection of chain fence, CFB Ottawa, file WA 310 10 (e) construction of gatehouse, CFB Ottawa, file WA 309 10 (f) supply and install vanity units in 736 PMQs, file WA 304 10 and WA 305 10?

2. How many other projects are to be tendered in the next six months of a similar nature for CFB Ottawa, North and South?

3. Will there be any lay-off of civilian staff at CFB Ottawa capable of performing this work and, if so, is it the intention of the government to phase out civilian employment within the Department of National Defence?

Hon. James Richardson (Minister of National Defence): 1. The number of man-years of employment anticipated in each of the projects listed hereunder is as follows: (a) Interior painting of 123 PMQs, file WA 366 10, 2.56 man years; (b) Supply and install power humidifiers and rewiring furnaces in 156 PMQs, file WA 303 10, 1.41 man years; (c) Exterior painting various buildings, CFB Ottawa, file WA 370 10, 1.92 man years; (d) Supply and erection of chain link fence, CFB Ottawa, file WA 310 10, 3.27 man years; (e) Construction of gate house, CFB Ottawa file WA 309 10, 4.61 man years; (f) Supply and install vanity units in 736 PMQs files WA 304 10 and WA 305 10, 5.61 man years.

2. For Canadian Forces Base Ottawa North and South three other projects of a similar nature are planned to be tendered in the next six months.

3. There is no intention to phase out civilian employment within the Department of National Defence, but as a result of the consolidation of Canadian Forces Base Ottawa, lay-off notices effective March 29, 1974, were issued to a number of civilians, most of whom are term employees. Every effort is being made to place those affected in other employment by that date and recent developments have indicated that the majority of those

under lay-off notice will be retained for developing maintenance projects expected to commence in April 1974.

NATIONAL DEFENCE—LOGISTIC SUPPORT OF ARMED FORCES IN ARCTIC

Question No. 185—**Mr. Forrestall:**

1. What level of funding has been provided by the Department of National Defence to provide logistic and supply capability for Armed Forces operating in the Canadian Arctic in each of the past four years?

2. What level of funding is anticipated in the next five years to ensure such capability is year round and to ensure that equipment, clothing, etc., is suitable for large scale operations in any given month of the year?

Hon. James Richardson (Minister of National Defence): 1. The Department of National Defence does not allocate specific funds for the provision of logistic and supply support for operations in the Canadian Arctic. Funds allocated for the Canadian Forces logistic system are designed to support the Canadian Forces wherever they may be deployed in Canada and abroad. Therefore, to try to determine what funds were provided during each of the past four years for purely Arctic operations would mean searching data at a large number of field units, as well as the headquarters for which additional staff would be required, the cost of which would be very high; even at that the accuracy of the data might be questionable since a great deal of the logistic support for Arctic operation is also used for other operations; that is, Twin Otter aircraft of which two are located in Yellowknife and six in other parts of Canada.

2. No specific funding is provided in the next five years to ensure year-round logistic and supply capability for Arctic operations in terms of equipment and clothing since the Canadian Forces already possess this year-round capability to the extent required by the currently foreseen threat or challenge.

NATIONAL DEFENCE—OPERATIONAL VESSELS FOR NORTH OF 60° LATITUDE

Question No. 186—**Mr. Forrestall:**

With respect to the staff studies being conducted by the Department of National Defence into "spending and building program for vessels intended for operational use north of 60 degrees parallel" now progressing (a) when will such studies be completed (b) what is the length of time now taken by such studies (c) what are the terms of reference for such studies (d) what funding level has been allocated to these studies (e) what progress has been made to date in terms of decisions respecting such construction and building programs (f) is the Department fully cognizant of and has it made clear to those involved in such studies a clear need for unqualified sovereignty of the Arctic Archipelago Canadian claims?

Hon. James Richardson (Minister of National Defence): (a) The staff studies conducted by the Department of National Defence into possible building programs for vessels intended for operational use North of 60° north latitude have been completed. (b) The studies spanned a period of two years. (c) The terms of references of these studies are classified. (d) No specific funds were allocated to these studies as they were completed by departmental personnel. (e) The studies relating to possible construction of northern vessels are now being assessed in conjunction with the over-all requirements of the Canadian Forces and it is expected that firm proposals will be developed for consideration during the next fiscal year. (f) The department is fully cognizant of the requirements of Canadian sovereignty in the Arctic.

NATIONAL DEFENCE—ARCTIC TRAINING

Question No. 195—**Mr. Forrestall:**

1. How many members of the Canadian Armed Forces have undergone Arctic training to date, in the (a) High Arctic (b) Medium Arctic (c) Low Arctic?

2. What funding levels have been provided in the past three years for operation New Viking and other related exercices to accomplish this training?

3. What is the breakdown by command involved of personnel who have undergone such training?

4. What proportion of those personnel have undergone such training by month of the year?

5. Is any acceleration of this program anticipated in the next five years?

Hon. James Richardson (Minister of National Defence): 1. The number of personnel of the Canadian Armed Forces who have undergone Arctic training based on the most current data, time frame January 1, 1969 to December 31, 1973 is as follows: High Arctic (72° Latitude to 90° Latitude), 8,750; Medium Arctic (60° Latitude to 72° Latitude), 10,772; Low Arctic (below 60° Latitude), 9,997; Total, 29,519.

2. The funding level provided in the past three years (1971/72, 1972/73, 1973/74) for New Viking and other related Arctic exercises is as follows: (a) New Viking, $385,000; (b) Other exercises, $152,000.

3. The breakdown by command of the personnel who had undergone Arctic training expressed as a percentage of the total listed in Part 1 of this question is as follows: (a) Mobile Command, 72 per cent; (b) Air Defence Command, 8 per cent; (c) Maritime Command, 18 per cent; (d) Air Transport Command, 1 per cent; (e) Other Commands and Regions, 1 per cent.

4. The proportion of personnel who had undergone Arctic training by month, expressed as a percentage of the total listed in part 1 of the question, and averaged over the five-year time frame, is as follows: (a) January, 18 per cent; (b) February, 16 per cent; (c) March, 12 per cent; (d) April, 0.5 per cent; (e) May, 10 per cent; (f) June, 2.5 per cent; (g) July, 5 per cent; (h) August, 4 per cent; (j) September, 2 per cent; (k) October, 8 per cent; (l) November, 12 per cent; (m) December, 10 per cent.

5. The establishment of an Arctic Training Centre in Churchill, Manitoba, as announced by the Minister of National Defence in January of this year will result in an increased allocation of personnel and resources to Canadian Forces Arctic training programs.

NATIONAL DEFENCE—NUMBER OF RETIRED CANADIAN ARMED FORCES NOT RECEIVING BENEFITS

Question No. 208—**Mr. Forrestall:**

As of November 30, 1973, how many retired members of the Canadian Armed Forces are not eligible for receipt of benefit under the Public Service Supplementary Retirement Benefit Act who have retired after (a) 20 years service (b) 25 years service (c) 30 years service (d) all

other lengths of service for which pensions are normally paid, expressed as a percentage of those receiving pensions and in absolute terms?

Hon. James Richardson (Minister of National Defence): As of November 30, 1973, the numbers of retired members of the Canadian Armed Forces, expressed as a percentage of those receiving pensions and in absolute terms, not eligible for receipt of benefit under the Public Service Supplementary Retirement Benefit Act were as follows:

	Total Number	Percentage of Total
(a) After 20 years service	12,699	28.02
(b) After 25 years service	10,060	22.19
(c) After 30 years service	1,416	3.12
(d) All other lengths of service	6,288	13.87
	30,463	67.2

NOTE: The above figures are based on 45,328 retired members of the Canadian Armed Forces in receipt of pension as of November 30, 1973.

CENTRAL TRAVEL SERVICE

Question No. 212—**Mr. Forrestall:**

1. On what date was the Central Travel Service established, and what have been its staff levels by quarter since then?

2. What are the terms of reference for the service?

3. To what Minister is the service responsible?

4. (a) What was the date of the implementation of the present charging policy (b) what is the policy (c) by what specific memorandum or authority was this effected (d) are any changes contemplated in this policy?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Central Travel Service was established under authority of Treasury Board Minute 676442 of January 25, 1968. The Service commenced operation in February 1968 with an establishment of a manager and two clerks. It continued with the same staff until April, 1972 when one additional clerk was added. The present establishment remains a manager with a staff of three.

2. The terms of reference are: (i) provide a fast, efficient and economical centralized service for the procurement of domestic and overseas travel and accommodation arranged for civil departments. (ii) provide a base for gathering travel statistics necessary to obtain the benefits of group fares and to minimize travel costs. (iii) minimize departmental staff involvement in making travel arrangements.

3. The Minister of Supply and Services.

4. (a) April 1, 1973. (b) The costs of operating Central Travel Service are to be recovered from customer departments and agencies. The costs arise from: (i) The cost of auditing carriers' charges on behalf of customer departments and agencies, and adjustment and payment of carriers' accounts. (ii) Supervision of travel arrangements made by carriers' agents, the investigation of complaints and enquiries and the implementation of appropriate service improvement action. (iii) The negotiation of favourable rates with hotels in Canada, USA and throughout the world; the publishing of a hotel index, which is updated quarterly and provides a current listing of hotels and the related negotiated rates. (iv) Interest charges arising from the financing of travel costs prior to receipt of payment from customer departments and agencies. The charge for these services is 1 per cent of the value of the travel expenditures audited and processed by Central Travel Service. (c) Treasury Board Minute 719002, 10 May 1973. (d) Not at the present time.

CENTRAL TRAVEL SERVICE—CHARGING POLICY

Question No. 213—**Mr. Forrestall:**

What is the rationale behind the charging policy of the Central Travel Service to government departments?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): It was a recommendation of the Royal Commission on Government Organization (Glassco), subsequently accepted by the cabinet and implemented under Treasury Board direction, that services provided to other government departments and agencies by the Supply Administration of the Department of Supply and Services be provided on a full cost recoverable basis.

POST OFFICE—INCREASE IN RATE FOR DOMESTIC FIRST CLASS MAIL

Question No. 215—**Mr. Forrestall:**

Does the government anticipate an increase in the rate for domestic first class mail from the present eight cents for the first ounce in the next 12 months and, if so, is it the policy of the government to ensure that the portrait of the reigning monarch will always be employed on the low-value definitive used with most frequency namely, the stamp representing the value of a first class domestic letter of one ounce or less?

Hon. André Ouellet (Postmaster General): Rates of postage for domestic letter mail are set out in section 10 of the Post Office Act. Changes in these rates, therefore, are possible only by act of parliament. Any proposals for amending the Post Office Act would be announced in the government's legislative program, at the appropriate time.

DEFENCE RESEARCH BOARD PUBLICITY EXPENDITURES

Question No. 244—**Mr. Nystrom:**

1. What were the amounts of money spent by the Defence Research Board on publicity and/or information in each of the fiscal years 1972-73 and 1973-1974 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Hon. James Richardson (Minister of National Defence): 1. The amount of money spent by the Defence Research Board on publicity and/or information for 1972/73 and 1973/74 to date is as follows: 1972-73, $8,766; 1973-74 up to December 31, 1973, $1,289.

2. (a) 1972-73

Firms	Expenditures	Purpose
Industrial Copy Centers Toronto, Ont.	1,680	All four contracts were in connection with the preparation of publicity material for the 25th anniversary of the Defence Research Board
Canadian Sign Consultants Toronto, Ont.	1,259	
Globe Printing & Lithograph Toronto, Ont.	343	
Jones & Morris Photography Toronto, Ont.	959	

(b) 1973-74 (up to December 31, 1973) no contracts were awarded.

3. (a) 1972-73: Expenditures for publicity and/or information within the Defence Research Board the major part in connection with the 25th anniversary of the Defence Research Board were as follows: Miscellaneous supplies, $2,875; Travel, $1,650; (b) 1973-74 (up to December 31, 1973): Miscellaneous supplies (e.g. processing of films), $860; Travel, $429; Total, $1,289.

FOYER LAC ETCHEMIN

Question No. 322—**Mr. Lambert (Bellechasse):**

Did the government contribute to the construction of the Foyer Lac Etchemin in the province of Quebec through the Central Mortgage and Housing Corporation and, if so (a) in what amount (b) for how long (c) at what interest rate (d) on what terms?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation that their records indicate the following: (a), (b), (c), (d), a loan was approved in October 1968, under section 16 (a) of the National Housing Act in the amount of $651,330, to assist in financing the construction of Foyer Lac Etchemin, with accommodation being provided in nine dwelling units and 70 hostel beds. The loan is repayable over a term of 50 years at an interest rate of 6-7/8 per cent.

REVISION OF 1968 CALURA REPORT

Question No. 331—**Mr. Reynolds:**

At any point following the preparation of the 1968 Report of the Corporations and Labour Unions Returns Act for publication, was material destroyed or revised and, if so, what was the purpose and what was the nature of the differences between the original version and the version subsequently printed and issued?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Corporations and Labour Unions Returns Act report, part II, for 1968 was completed and printed while the Dominion Statistician was out of the country. It was held for review and approval of the Dominion Statistician on his return. Some parts of the textual material of the report were not considered to be appropriate and therefore it became necessary to amend the text and correct some typographical errors before presentation to the Minister of Industry, Trade and Commerce for tabling in parliament. No charts or other summary tables were altered or deleted from the original draft on which the analyses were based.

LAW FIRMS RETAINED BY CMHC FOR LOANS APPROVED IN SURREY, WHITE ROCK, LANGLEY AND COQUITLAM

Question No. 332—**Mr. Reynolds:**

1. What law firms in Surrey, White Rock, Langley and Coquitlam in British Columbia drew CMHC mortgages in uninsured loans in 1971, 1972 and the first six months of 1973?

2. How much did each of these firms receive in legal fees from the government for handling these mortgages in 1971, 1972 and in the first six months of 1973?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. The law firms listed below were retained by CMHC to handle mortgage documentation for loans approved in Surrey, White Rock, Langley and Coquitlam in 1971 to June 1973. Burnaby, Hean, Wylie and Company; New Westminster, Hogarth, Oliver and Hughes; Richmond, William H. Mulholland; Surrey, James L. Davidson, A.K.N. Virani.

2. Legal fees in connection with CMHC direct loans are paid by the borrowers and CMHC, therefore, has no record of the amounts paid to these lawyers.

INDIAN AFFAIRS—CLAIMS COMMISSION

Question No. 340—**Mr. Clark (Rocky Mountain):**

1. Has the government firmly rejected a Claims Commission as a means of determining the valid claims of Canadian Native People?

2. If the government proposes to settle claims by negotiation, what procedure is proposed to guarantee that one group of natives will (a) know the terms (b) receive the same terms of settlement applied to another group?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. It is assumed that reference is being made to an adjudicatory claims commission. The government believes that negotiation is the preferred course, having regard to the nature of these claims. Negotiation fosters more direct involvement of those concerned and permits more comprehensive treatment of the issues. In his recommendations to date the Commissioner on Indian Claims, who is responsible for studying claims and facilitating the development of settlement processes, has proposed negotiation as the preferred course to be followed. Adjudicatory machinery may be necessary at some point for certain types of claims, but the government feels that it would be premature to deal with this possibility at this time. Neither Mr. Barber nor the government has so far encountered a situation in which the judgmental processes inherent in an adjudicatory claims commission seem necessary or desirable.

2. (a) Appropriate steps will be taken to ensure that terms of any settlement become public knowledge. (b) It is expected that settlements will vary to take into account the divergent circumstances on which claims are based. No doubt participants will want to feel that any settlement is comparable to others and this will be a factor in the government's approach to any proposals put before it.

Order Paper Questions

INDIAN AFFAIRS—INSTALLATION OF STEEL DOORS IN CENTENNIAL TOWERS

Question No. 347—**Mr. Clark (Rocky Mountain):**

1. (a) On what dates (b) for what reasons were steel doors or other barriers established in the central office of the Department of Indian Affairs and Northern Development at Centennial Towers, 400 Laurier Avenue West, Ottawa?

2. (a) On what date (b) for what reason were such doors or barriers removed?

3. What was the (a) total cost (b) total man-hours involved in establishing and removing these walls or barriers?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Public Works and Indian Affairs and Northern Development as follows: 1. (a) October 21, 1973. (b) A framework to contain new doors was erected to reduce hazards to staff and the general public caused by the present double set of all glass entrance doors.

2. (a) December 7 and 8, 1973. (b) The framework was seen by some to constitute a barrier between the Indian people and the department.

3. (a) $4,783.20. (b) It is not known how many man-hours were spent in installation, as a total order to "supply and install" was given; the man-hours spent on removal of the steel screen amounted to 54.

SALE OF CF 5 AIRCRAFT TO VENEZUELA

Question No. 354—**Mr. Rowland:**

1. What was the per unit price charged for the 20 CF 5 aircraft sold to Venezuela?

2. What was the per unit price originally paid for these aircraft by the government?

3. At the time of their sale, how much of their projected airframe life had been expended?

4. Were replacement parts also sold to Venezuela and, if so (a) were they taken from stock (b) did they involve the placement of new orders with Canadian companies and what was their value?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Defence and Supply and Services as follows: 1. The unit price charged was $1,296,000.

2. The production price per unit was $1,303,000.

3. At the time of the sale the dual aircraft had expended approximately 11 per cent of their projected airframe time. The single seat aircraft were new and had their full airframe time remaining.

4. Yes, some replacement parts from stock and some from Canadian companies valued at $4,700,000.

PERPETUAL BONDS, 1936

Question No. 371—**Mr. Clarke (Vancouver Quadra):**

In connection with the government's issue of 3 per cent perpetual bonds in 1936 (a) what was the total face value of the original issue (b) what amount of the original issue was (i) in registered form (ii) in bearer form (c) how many years did the interest coupons attached to the original bonds cover (d) what amount of the original issue was exchanged for new bonds after the coupons ran out (e) what amount of the bonds issued in exchange were issued (i) registered (ii) in bearer form (f) what amount has been paid as interest on this issue in each of the years 1966 to 1972 (g) how has the government paid interest to holders of the original bonds (which have not been exchanged) in the years since the coupons ran out?

[Mr. Chrétien.]

Hon. John N. Turner (Minister of Finance): (a) $55 million; (b) (i) $13,636,400 fully registered (ii) $41,363,600 coupon bonds—records do not indicate the proportion of coupon bonds registered as to principal or in bearer form. (c) 30 years (d) At the end of May 1967, of the $25,720,500 coupon bonds then outstanding, all but $3,929,200 had been exchanged for the new certificates. The exchange of old certificates continues and the amount of these old coupon bonds still not exchanged is estimated at $429,700. (e) (i) No exchange of fully registered bonds was necessary (ii) This information is not available and would be very difficult and expensive to obtain. (f) In each year, $1,650,000, representing 3 per cent interest on the $55 million outstanding perpetual bonds, was credited to a special account to meet interest payments. (g) For fully registered bonds, interest is paid by mail automatically. Interest on coupon bonds is paid when the coupons are tendered to a paying agent. When coupons are not tendered, the interest is maintained in a special account. Holders of original bonds may still exchange them for new bonds with all coupons attached.

PROMOTIONAL PROJECTS PROGRAM

Question No. 383—**Mr. Knight:**

1. What were the names of the corporations receiving grants under the Promotional Projects Program (PPP) in each fiscal year 1965-66 to 1973-74 to date?

2. In each case, what was the total cost of the promotion, the amount paid by the department and the amount paid by the company?

3. Has the department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The Promotional Projects Program (PPP) does not provide grants to industries.

2. Answered by 1 above.

3. The program is under continuous evaluation and review.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

EMPLOYMENT OF MR. AND MRS. ANDRÉ ROY BY THE FEDERAL GOVERNMENT

Question No. 43—**Mr. Cossitt:**

1. On what exact date did the government and the Public Service Commission become aware that Mr. André Roy was facing charges of FLQ terrorist activities at the time he was hired by the Department of Secretary of State?

2. What person or persons in the government or the Public Service Commission became aware of such information, what did they do with this information and specifically did they take any action whatsoever on receipt of this information?

3. What is the exact amount of money in dollars and cents paid to Mr. Roy since he was hired on April 4, 1972 by the Department of the Secretary of State and what will be the exact amount of money in dollars and cents paid to Mr. Roy during the calendar year 1973 if he continues in the employ of the government during this time?

4. What are the names and addresses of all persons who recommended employment for Mr. Roy either verbally or in writing and to whom were such recommendations made?

5. Was the government or the Public Service Commission aware of the charges against Mr. Roy of FLQ activities at the time that Mrs. André Roy was hired by the government on November 20, 1972?

6. What is the complete job description of Mrs. André Roy, what is the name and position of the person to whom she is directly responsible and what is the summary of her specific daily duties?

Return tabled.

LEGAL FEES PAID BY FEDERAL GOVERNMENT TO LAWYERS IN ALBERTA, APRIL 1, 1972 TO MARCH 31, 1973

Question No. 55—**Mr. Cossitt:**

What was the total sum of money paid between April 1, 1972 and March 31, 1973 to each of the lawyers in the Province of Alberta listed in the answer to Question No. 2,273 of the First Session of the 29th Parliament?

Return tabled.

LEGAL FEES PAID BY FEDERAL GOVERNMENT TO LAWYERS IN SASKATCHEWAN, APRIL 1, 1972 TO MARCH 31, 1973

Question No. 56—**Mr. Cossitt:**

What was the total sum of money paid between April 1, 1972 and March 31, 1973 to each of the lawyers in the Province of Saskatchewan listed in the answer to Question No. 2,274 of the First Session of the 29th Parliament?

Return tabled.

LEGAL FEES PAID BY FEDERAL GOVERNMENT TO LAWYERS IN NEW BRUNSWICK, APRIL 1, 1972 TO MARCH 31, 1973

Question No. 60—**Mr. Cossitt:**

What was the total sum of money paid between April 1, 1972 and March 31, 1973 to each of the lawyers in the Province of New Brunswick listed in the answer to Question No. 2,278 of the First Session of the 29th Parliament?

Return tabled.

NAMES AND ADDRESSES OF LAWYERS EMPLOYED BY CMHC IN NEWFOUNDLAND DURING PAST FISCAL YEAR

Question No. 91—**Mr. Cossitt:**

What were the names and addresses of all lawyers employed by Central Mortgage and Housing Corporation during the past fiscal year in the Province of Newfoundland and what was the total amount of money paid to each individual?

Return tabled.

NAMES AND ADDRESSES OF LAWYERS EMPLOYED BY CMHC IN NOVA SCOTIA DURING PAST FISCAL YEAR

Question No. 93—**Mr. Cossitt:**

What were the names and addresses of all lawyers employed by Central Mortgage and Housing Corporation during the past fiscal year in the Province of Nova Scotia and what was the total amount of money paid to each individual?

Return tabled.

NAMES AND ADDRESSES OF LAWYERS EMPLOYED BY CMHC IN QUEBEC DURING PAST FISCAL YEAR

Question No. 94—**Mr. Cossitt:**

What were the names and addresses of all lawyers employed by Central Mortgage and Housing Corporation during the past fiscal year in the Province of Quebec and what was the total amount of money paid to each individual?

Return tabled.

NAMES AND ADDRESSES OF LAWYERS EMPLOYED BY CMHC IN ONTARIO DURING PAST FISCAL YEAR

Question No. 95—**Mr. Cossitt:**

What were the names and addresses of all lawyers employed by Central Mortgage and Housing Corporation during the past fiscal year in the Province of Ontario and what was the total amount of money paid to each individual?

Return tabled.

NAMES AND ADDRESSES OF LAWYERS EMPLOYED BY CMHC IN SASKATCHEWAN DURING PAST FISCAL YEAR

Question No. 96—**Mr. Cossitt:**

What were the names and addresses of all lawyers employed by Central Mortgage and Housing Corporation during the past fiscal year in the Province of Saskatchewan and what was the total amount of money paid to each individual?

Return tabled.

NAMES AND ADDRESSES OF LAWYERS EMPLOYED BY CMHC IN ALBERTA DURING PAST FISCAL YEAR

Question No. 97—**Mr. Cossitt:**

What were the names and addresses of all lawyers employed by Central Mortgage and Housing Corporation during the past fiscal year in the Province of Alberta and what was the total amount of money paid to each individual?

Return tabled.

NAMES AND ADDRESSES OF LAWYERS EMPLOYED BY CMHC IN BRITISH COLUMBIA DURING PAST FISCAL YEAR

Question No. 98—**Mr. Cossitt:**

What were the names and addresses of all lawyers employed by Central Mortgage and Housing Corporation during the past fiscal year in the Province of British Columbia and what was the total amount of money paid to each individual?

Return tabled.

COST OF FOUR DDH 280s

Question No. 117—**Mr. McKinnon:**

With respect to the four DDH 280 helicopter destroyers (a) what was the cost of the ships as delivered from the shipyards (b) what additional expenses were incurred during and as a result of sea trials (c) if any other capital costs were incurred how much were they and what were

they for (d) what was the total cost of bringing the four DDH 280s to operational status?

Return tabled.

*SCRAPPING OF HMCS"BONAVENTURE"

Question No. 161—**Mr. Forrestall:**

1. What officials or representatives of the government were witness to the scrapping of the HMCS *Bonaventure*?

2. Is the government aware of the present location of Mr. N. W. Kennedy, described by government officials as one of the leading shipbrokers in the world and, if so, where is his operation based at present?

3. What specific steps were taken by the government to ensure that the obligation to scrap the *Bonaventure* was carried out by the individual or individuals who contracted to purchase the *Bonaventure*?

4. What safeguards existed in the contract to purchase the *Bonaventure* to ensure that the original purchaser could not re-sell to a foreign power or foreign-based operation except in the instance that such foreign power or foreign operation would specifically undertake to use the *Bonaventure* for the purposes of scrap metal and salvage materials?

5. How were such safeguards enforceable and in what specific manner were they enforced?

6. What steps have been taken since the sale by the government of the *Bonaventure* to ensure that future sales of military hardware no longer used by the Canadian Armed Forces is kept under the absolute control and supervision of the government until the full intent of the original contract has been met?

Return tabled.

PUBLICITY EXPENDITURES—CANADA COUNCIL

Question No. 242—**Mr. Nystrom:**

1. What were the amounts of money spent by the Canada Council on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the Department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Return tabled.

PUBLICITY EXPENDITURES BY DEPARTMENT OF THE ENVIRONMENT, 1972-74

Question No. 245—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of the Environment on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Return tabled.

[Mr. McKinnon.]

RESEARCH EXPENDITURES BY PUBLIC SERVICE COMMISSION, 1972-74

Question No. 287—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Public Service Commission on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

RESEARCH EXPENDITURES—DEPARTMENT OF SECRETARY OF STATE

Question No. 291—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of the Secretary of State on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

DEPARTMENT OF PUBLIC WORKS EXPENDITURES

Question No. 365—**Mr. Nystrom:**

1. For the fiscal years 1971-72 and 1972-73 what amount of the total expenditures for the Department of Public Works were spent (a) outside of Canada (b) within Canada (c) in each of the 10 provinces, the Yukon and Northwest Territories?

2. (a) What was the total number of employees in the Department of Public Works as of March 31, 1973 (b) how many of those employees would be considered employees of the headquarters and are employed on the (i) Quebec side of the national capital (ii) Ontario side of the national capital (c) how many employees does the Department have in each of the 10 provinces, the Yukon and Northwest Territories?

Return tabled.

TRANSFER OF GRANVILLE ISLAND, VANCOUVER TO CMHC

Question No. 372—**Mr. Clarke (Vancouver Quadra):**

1. On what date was title to the property known as Granville Island in the City of Vancouver transferred to Central Mortgage and housing Corporation?

2. What was the name of the transferor?

3. At what price was the property transferred?

4. Was the whole of Granville Island transferred and how much area of the land was transferred?

5. On what date had the property been acquired by the transferor and at what price was it acquired?

6. Had some of the land area been man-made by dumping fill into the waters of False Creek and, if so (a) on what date did this occur (b) what land area was created?

7. Since several alternatives were suggested in the study of October, 1972, what are the government's present plans for the future of this property?

8. Are there any housing or mortgages involved and, if not, for what reason was this property transferred?

9. Did the Minister of State for Urban Affairs say that Granville Island will be designated for public use and for revitalization in conjunction with the city-owned and privately held properties in the area of False Creek and, if so, has the government considered turning Granville Island over to the City of Vancouver by lease or gift, so that the development can proceed with a minimum of bureaucracy and confusion?

10. Do some leases have 20 years or more to run until expiry and, if so, for what reason has the government already hired a project manager?

11. What experience or skill does the project manager, Mr. Russell Brink, possess in order to qualify him as project manager?

12. Was a competition held in the normal way to ensure that the best candidate for this job was obtained and, if not, how was Mr. Russell Brink selected?

13. How was the salary of the project manager established at $25,000 per annum?

14. What other costs, particularly in the way of support staff and other expenses, have been budgeted for the management of this project?

15. How will the newly-planted trees be cared for in order to protect the taxpayers investment of $19,000 therein?

Return tabled.

● (1440)

Mr. Reid: Mr. Speaker, I have noticed that a number of members who had questions on the order paper when the House was prorogued have not yet put them down on the order paper again. We have done the research into these matters, have the information and would appreciate it if members would do so if they want that information.

Some hon. Members: Hear, hear!

Mr. Reid: It had been my hope to present enough answers before the conclusion of last session to give me a 100 per cent average instead of only 89 per cent.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

CONSUMER AFFAIRS

INCREASE IN CONSUMER PRICE INDEX

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise to express a sense of urgency and shock with regard to the figures on the cost of living released today. In so doing, I would seek to move the adjournment of the House under Standing Order 26 for the purpose of discussing a special and important matter requiring urgent consideration, namely, the announcement today by Statistics Canada that the January to February increase in the food index is the largest such increase in a quarter of a century.

Some hon. Members: Shame!

Mr. Speaker: The hon. member for St. John's East has provided the written notice required by section 2 of Standing Order 26. As hon. members know, the Chair has always been reluctant to concur in the putting of a motion for the adjournment of the House on the basis of monthly statistics produced and provided by Statistics Canada. In spite of the importance of the matter, I have the same reluctance today. The statistic on which the hon. member bases his proposed motion has reference to the matter of inflation which has been under discussion during much of the throne speech debate. The subamendment moved by the hon. member for Lotbinière (Mr. Fortin) was concerned with the problem of inflation.

In addition to these considerations, the Chair is required to consider whether other opportunities will be available within a reasonable time to debate the issue. For one thing, I would be very surprised if the subject of inflation remained unmentioned while the House considers Bill C-7, the first order of government business this afternoon. Also, the Chair cannot overlook that there are six remaining allotted days before the end of the current supply period on March 26, that is, six non-legislative days out of ten.

My conclusion is that a motion under Standing Order 26 to debate the subject of the hon. member's motion should not be allowed today.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 11 and 17 are acceptable to the government.

[*Translation*]

Mr. Speaker: Is it the pleasure of the House that notices of motion Nos. 11 and 17 be deemed agreed to?

Some hon. Members: Agreed.

[*English*]

NAMES OF ALL THOSE INVITED TO ATTEND NATIONAL ECONOMIC CONFERENCE

Motion No. 11—**Mr. Orlikow:**

That an Order of the House do issue for a copy of (a) a list of all those people, and their backgrounds, invited to attend the National Economic Conference sponsored by the Economic Council of Canada (b) a list of the Committees which reported to the Conference and the subject on which each reported (c) the name of the Chairman and the members of each Committee (d) the studies tabled by each Committee at the Conference.

Motion agreed to.

COPY OF REPORT BY CANADIAN TRANSPORT COMMISSION, APRIL 30, 1971

Motion No. 17—**Mr. Mazankowski:**

That an Order of the House do issue for a copy of the repot to the Governor in Council by the Canadian Transport Commission April 30, 1971, on the operation of Section 278 (then S.336) of the Railway Act.

Motion agreed to.

[*Translation*]

Mr. Speaker: Will the remaining notices of motions stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

CONSUMER AFFAIRS

COST OF LIVING INCREASE—INQUIRY AS TO LEGISLATION—GOVERNMENT CONTINGENCY PLAN—DATE OF BUDGET

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. the Prime Minister. In view of the cost of living figures published today and in view of the statement by the government House leader at the opening of the session that in the next couple of weeks or thereabouts he would bring in some bills related to the whole question of food supply, inflation and so on, may I ask the Prime Minister when we are going to see these bills, now that the two weeks have expired?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is one bill before the House today.

Some hon. Members: Oh, oh!

An hon. Member: Oh, come off it!

Mr. Trudeau: I see that hon. members have not taken advantage of first reading to notice its contents, but if they do they will see that we are beginning to put into practice the program announced in the Speech from the Throne.

An hon. Member: We have read it, all right.

Mr. Stanfield: Since it must be apparent to the Prime Minister that inflation is running throughout the entire economy—

Mr. Sharp: Throughout the world.

Mr. Stanfield: And the economy in Canada.

Mr. Sharp: And throughout the world.

Mr. Stanfield: —I should like to ask the Prime Minister whether he is going to invoke his so-called contingency plan and, in particular, can he tell us if we are going to have an immediate budget and on what date the budget will be brought down?

Mr. Trudeau: Mr. Speaker, to answer the questions in reverse order, the date of the budget will not be announced by me today. As to the second part of the question, yes, there will be a budget, which will deal with this and many other matters. As to the first part of the question, the answer is that the government is indeed very concerned about these rising prices, particularly the fact that 60 per cent of the increase in the cost of living is attributable to food and almost half of that is an increase in beef prices. We do know that the quarterly report of the Food Prices Review Board, which will include a review of beef prices, will be out at the end of next week.

Some hon. Members: Oh, oh!

Mr. Trudeau: We hope that by then the situation will have clarified.

Mr. Stanfield: Mr. Speaker, I do not think it is very gallant of the Prime Minister to try to hide behind Mrs. Plumptre.

Some hon. Members: Hear, hear!

Some hon. Members: Shame!

An hon. Member: Get out from behind that woman's skirt.

An hon. Member: It is getting kind of crowded there.

An hon. Member: Herb Gray is there already.

An hon. Member: She is quite a slender girl; remember that.

Mr. Stanfield: Since the Prime Minister has emphasized the extent of the increases in the cost of food and food prices, has he any over-all plans with regard to levelling off or holding down rising costs or, as he might say, the inputs into agriculture so that there might be some prospect of prices levelling off?

Mr. Trudeau: Mr. Speaker, we do, and we gave an outline of that in the Speech from the Throne.

An hon. Member: That is what worries us.

Mr. Trudeau: I must point out to the Leader of the Opposition that just last week, when the newspapers were indicating that beef prices were falling at the consumer level, members of his own party were complaining that those prices were going down.

Some hon. Members: Not true.

An hon. Member: That is a distortion.

An hon. Member: Pierre the twister.

Mr. Stanfield: Mr. Speaker, I must correct the Prime Minister. What we object to, as does his friend, Mrs. Plumptre, is that the—

Some hon. Members: Question!

Mr. Stanfield: —retail price of beef has not been falling—

Some hon. Members: Question!

An hon. Member: Shut up!

Mr. Stanfield: —despite the falling of the price to the producer. I should like the Prime Minister to stick to the facts.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I do want to say that the very day these questions were posed I cut out of the newspaper, and I can show it to the Leader of the Opposition—

An hon. Member: Oh, you read the newspapers?

An hon. Member: Have your press agent write a letter.

An hon. Member: Are you keeping a scrapbook?

Mr. Trudeau: As hon. members who attended the press gallery dinner know, I spend three days a week now looking at newspapers.

An hon. Member: That is all you are doing, obviously.

● (1450)

Mr. Trudeau: There is a very large article indicating that the prices of beef and meat had fallen substantially. I repeat to the opposition that they should make up their minds. Do they want to have prices go down or do they want to complain when prices go down?

COST OF LIVING INCREASE—POSSIBILITY OF LEGISLATION TO EMPOWER GOVERNMENT OR REVIEW BOARD TO ROLL BACK UNJUSTIFIED PRICE INCREASES

Mr. David Lewis (York South): Mr. Speaker, I wish to pose a question to the Prime Minister. In view of his repeated statements in the House and elsewhere and in view of the further disastrous rise in the February consumer price index, is the government now ready to introduce legislation to give itself or the Food Prices Review Board power to roll back unjustified price increases?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have answered this question before. The answer is that we are prepared to take measures to do that.

Mr. Lewis: In view of the fact the government has already had evidence with regard to bread, beef, sugar, cement and housing, how long is the Prime Minister going to wait before he puts legislation on the books to give the government or a reconstituted Food Prices Review Board power to stop the gouging of the consumers of Canada?

Mr. Trudeau: Very simply, Mr. Speaker, I would repeat what we have said before, that we do not favour at this time over-all prices and wage control. I do not think the hon. member does either. Therefore we are acting in each particular case. The leader of the New Democratic Party pointed out a series of cases on which we had acted, for example, on milk and bread. Only last week the Minister of Consumer and Corporate Affairs obtained assurance from the bakeries that they would not bring in the increase they had announced they would, as a result of the representations of the minister and the work of the Food Prices Review Board. Therefore my answer is the same. If we find villains, to use that word, or if culprits are identified by the board as being guilty of gouging, to use the hon. member's word, and if they do not respond to the entreaties of the board after they have had a chance to explain their case, the government will then step in. This is the position we have always taken. It is the position I repeat today. The hon. member cannot quote cases of increases in prices which have been rolled back after pressure from the minister as cases where the government did not act.

Mr. Lewis: It is precisely because I do not accept the over-all price and wage control method that I am asking the Prime Minister whether he is now or when he will be prepared to introduce legislation that will give power to somebody to stop unjustifiable price increases, particularly in view of statements by the Prime Minister during the throne speech debate and outside the House that the government is prepared to stop profiteering at the expense of the consumer. I ask the Prime Minister whether it is possible for the government to act effectively without the necessary legislation. Since it obviously is not, when will the government produce the necessary legislation?

Mr. Trudeau: Mr. Speaker, I must point out that the fact that a member alleges there has been gouging or profiteering is not sufficient reason for the government to step in arbitrarily and impose its will on any private sector of the economy. That is not the philosophy of this government. However, when gouging or profiteering has been established before the independent board and those who are alleged to have gouged have been given a chance to state their case, if they do not take corrective action that is when we will act and not on some arbitrary suggestion by the hon. member.

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair will recognize the hon. member for Lotbinière and then the hon. member for Prince Edward-Hastings and others on the same matter.

[*Translation*]

INCREASE IN COST OF LIVING—REQUEST FOR MEASURES TO HELP CONSUMERS

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

In view of the problem caused by the increase in the cost of living, especially that of the basic needs, which affects especially the fixed-income citizen, would he be willing to study the possibility of helping the consumer directly or paying him a compensated discount? Would he also be willing to study, positively, such measures in favour of those citizens who are powerless because of the game of the mighty?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member should not ignore the fact that the story of the last session and the last few months proves specifically that the Liberal government intervened in favour of those citizens. Surely, he knows that we increased the old age pensions, that we will escalate them according to the increase in the cost of living, and that we have tripled family allowances. If he does not know that, then he should find out.

Oral Questions

INCREASE IN COST OF LIVING—REQUEST FOR MEASURES TO HELP WORKERS

Mr. André Fortin (Lotbinière): I would like to ask a supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member for Lotbinière will be recognized for a supplementary, after which the hon. member for Prince Edward-Hastings will have the floor.

Mr. Fortin: Mr. Speaker, could the Prime Minister who talks about his endeavors on behalf of these people explain why he lost complete interest in the builders of our country, in workers whose income is insufficient, who have many children and who, furthermore, are strictly limiting themselves as regards salary demands, at the government's request. I would like him to tell us if he really intends to encourage not only those who cannot work anymore but also those who are building our country.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member should read again my reply to the previous question. It is aimed mainly at those workers who are building our country, who have children, as the hon. member said. We have—and I repeat it—more than tripled family allowances. In the federal field we have also increased the minimum wage. Perhaps the hon. member should make inquiries before asking questions.

[*English*]

COST OF LIVING INCREASE—MEASURES TO ENABLE WORKERS TO REGAIN PURCHASING POWER

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As the figures released by Statistics Canada show that average weekly earnings increased by 5.9 per cent during the past 12 months while during the same period the consumer price index increased by 9.6 per cent, is the government now prepared to introduce specific measures which will enable workers to regain the purchasing power of their dollars?

Right Hon. P.E. Trudeau (Prime Minister): Mr. Speaker, there is a contradiction in the question asked by the hon. member. He ended up talking about purchasing power of the dollar. Therefore he should be talking about disposable incomes and not average wages. If one looks at the figures for disposable income, the average money received by the average Canadian over the past year, it has risen considerably higher, something in the order of 6 per cent higher.

Some hon. Members: Hear, hear!

Mr. Hees: I am simply quoting figures produced by the government's own agency. It is obvious from the Prime Minister's reply that if the figures are distasteful to him he claims they are wrong.

Mr. Trudeau: Mr. Speaker, I must correct the hon. member. I did not say the figures are wrong. I say it is the intelligence of the hon. minister which is lacking.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

[Mr. Trudeau.]

Mr. Hees: I rise on a question of privilege.

Mr. Speaker: Perhaps the hon. member is entitled to one more round, after which I will see the hon. member for St. John's East.

● (1500)

Mr. Hees: On a question of privilege, I think I should advise the Prime Minister that he is premature by just a few weeks.

Mr. Trudeau: On the same question of privilege—

Mr. Speaker: Order, please. I suggest to hon. members that is hardly a question of privilege. The right hon. Prime Minister and the hon. member for Prince Edward-Hastings are exchanging remarks. Perhaps we might try to continue with supplementaries on this important matter.

Mr. Lewis: I rise on a short point of order, Mr. Speaker. In view of what the Prime Minister said, reflecting the true coalition, may I ask him to inform us what portfolio the hon. member has been given?

Some hon. Members: Oh, oh!

INCREASE IN FOOD PRICES—GOVERNMENT ACTION TO CONTROL PRICE OF BASIC COMMODITIES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to get back to a more serious subject.

Some hon. Members: Hear, hear!

Mr. McGrath: I should like to ask the Minister of Consumer and Corporate Affairs what he proposes to do by way of legislation, faced with the hard evidence produced today by Statistics Canada of a 2.3 per cent increase in food prices, representing the highest February over January increase since 1949, and whether he will now bring in legislation to control the price of essential basic food items in order to protect people in the lower and middle income brackets.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): I am glad the hon. member recognizes the importance of this subject compared with his hon. friend on the front bench.

Mr. Hees: Stick to the straight stuff, Herb.

Mr. Gray: The Prime Minister has stated on behalf of the government, and I can confirm this, that we have taken action in the past through specific measures to deal with this type of problem and we are committed to be prepared to do this type of thing in future.

Mr. Hees: You are not even good at the straight stuff.

Mr. McGrath: In view of the fact that the price of beef went up by 7 per cent, may I ask the minister what steps he has taken to ensure that the Canadian people are not being gouged, especially since this increase in the price of beef did not go to the cattle producers of this country?

Mr. Gray: The Prime Minister has already noted that the next quarterly report of the Food Prices Review Board is expected to deal in part with this subject.

Some hon. Members: Oh, oh!

Mr. Gray: I am also informed that the board has under way a special four-week study of beef price margins. This was begun a week ago. When it is completed, the report will be published. The Prime Minister has pointed out that the board's action in this way is a vital supplement to our basic action in working to increase supplies of major commodities and also to help Canadians, through improvements in their disposable income, to cope with rising prices. I think we have taken effective action in the past, and we shall continue to take effective action in the future.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for St. John's East on a further supplementary, and then the hon. member for Vancouver Kingsway.

Mr. McGrath: Mr. Speaker, I think it is about time you came to the rescue of the members of this House and stopped this dangerous tendency of the Prime Minister and other ministers to cower behind Mrs. Plumptre's apron-strings.

DECLINING FARM GATE PRICES—ACTION TO ENSURE CONSUMERS BENEFIT THEREFROM—GOVERNMENT POLICY ON BEEF PRICES

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I want to get down to a very particular case again inasmuch as the Minister of Consumer and Corporate Affairs did not give an answer to the previous question. In view of the fact that the 7 per cent increase in beef prices last month confirms that declining farm gate prices are not being passed on to consumers, what immediate steps is the hon. gentleman taking to ensure that such beef price reductions will be passed on to the consumer?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): I have mentioned the urgent studies being conducted by the Food Prices Review Board. I repeat that the government is committed to take appropriate action in light of these reports.

Mrs. MacInnis (Vancouver Kingsway): I have a question for the Prime Minister in light of the statement made yesterday by the Minister of Agriculture that the consumer must be prepared to pay 30 or 40 cents a pound more for beef. Would the Prime Minister tell us whether this is the policy of the government?

Right Hon. P. E. Trudeau (Prime Minister): I would have to look at the statement made by the minister and consider in what context he made it. However, I do not think hon. members opposite would object to the Minister of Agriculture suggesting that the cattlemen should get a better return for their beef.

Some hon. Members: Hear, hear!

Mrs. MacInnis (Vancouver Kingsway): On a point of order, Mr. Speaker, I am sorry the Prime Minister did not hear my question. I was not talking about the cattlemen getting more for their beef; I was talking about the fact that the Minister of Agriculture said the consumer has to face an increase of between 30 and 40 cents per pound for beef. Is this the policy of the government and, if not, what is the policy?

Mr. Trudeau: The hon. lady did not hear my answer, I imagine. I told her I would have to look at what the minister said. Certainly it is not the policy of the government that the consumer must pay more. It is the policy of the government that supply must be increased, and in order to increase the supply of food products in Canada it is necessary for the producers to have an assured and sufficient income. I would hope we could count on the support of members opposite on this point.

* * *

FOOD PRICES REVIEW BOARD

SUGGESTED INCREASE IN POWERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question to the Minister of Consumer and Corporate Affairs who is fully informed regarding this problem, one which has received so much attention today and in the last several months. I want to ask him, to begin with, whether he is satisfied with the operations of this price control board. Does he not feel that its powers should be greatly increased so that, instead of simply being a peripatetic group which asks for information here, there and elsewhere, it would have power to act?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): First of all, it is not a price control board. But I am interested to see this great expression of confidence by a former prime minister of this country in the work of the Food Prices Review Board. I think it helps confirm that the board is doing a good job and has the power to carry out the kind of job which the food prices committee of this House said it should undertake as a supplement to the constructive action of this government.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I have over the years heard humorous things said in this House, but the hon. gentleman goes to the head of the class by that answer.

An hon. Member: What a great comedian!

Mr. Diefenbaker: Mr. Speaker, I find, in looking at *Hansard*, that there are interruptions from time to time by nonentities who do not get identified on the record. I think there was another one just then. I now ask the minister this: Is he satisfied, and is the government satisfied, with the way in which prices are galloping ahead in the absence of action by the government except for frivolous remarks such as those just made by the minister, which do him no honour?

Some hon. Members: Oh, oh!

Mr. Gray: Mr. Speaker—

Mr. Speaker: Order, please. The minister will, of course, be allowed to reply to the right hon. gentleman's question, but it seems to me this is an argumentative exchange between the right hon. gentleman and the minister, who is now recognized.

● (1510)

Mr. Trudeau: Mr. Speaker, I rise on a question of privilege. If you will check the record I think you will find that the right hon. gentleman described the members of this House as nonentities. I think he should reserve that sort of comment until he has departed Parliament Hill by at least 50 yards.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, I have heard of the devil rebuking sin. Have I forgotten that the right hon. gentleman called members of parliament nobodies? What is the difference between a nobody and a nonentity?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. May we have order, please. I am not sure that much is to be gained by this exchange. I do not know what hon. members ate today but it certainly has inspired them.

* * *

SOCIAL SECURITY

POSSIBILITY OF PRODUCTION OF COST OF LIVING INDEX RELATED TO GOODS AND SERVICES PURCHASED BY PENSIONERS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in relation to the rising cost of living, and particularly with respect to the rising cost of food and other essentials, may I direct a question to the Minister of National Health and Welfare. Would the minister discuss with Statistics Canada the possibility of producing a cost of living index that relates to the actual goods and services that senior citizens—

Mr. Nowlan: And veterans.

Mr. Knowles (Winnipeg North Centre): —and Veterans have to purchase, so that the escalation of the pensions of our senior citizens—

Mr. Nowlan: And veterans.

Mr. Knowles (Winnipeg North Centre): —and veterans—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): —will bear a meaningful relationship to their situation?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am not quite sure, but I believe that Statistics Canada is reviewing its cost of living index. I will certainly take note of the hon. member's suggestion. However, I should like to point out that this can be dangerous in two ways. If the food index were to come down or not rise as fast as some other elements of the cost of living index, the old age pensioners might be the ones to be hurt. This is what would have happened during the last ten years when food was not rising as much as the other components of the cost of living. It can work also against old age pensioners, but I will certainly look at this suggestion.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

PROTECTION AGAINST LOSS OF BENEFITS BY TEMPORARY WORKERS IN MAPLE SYRUP INDUSTRY

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

Since the operators of sugarbushes are experiencing difficulties in hiring workers to gather the maple sap, even in this period of the year when there are great numbers of unemployed drawing benefits, can the minister tell us whether in view of that emergency situation he is prepared to suggest amendments to the unemployment insurance regulations in order to enable beneficiaries to work at sap gathering without being penalized?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for giving notice of the question. My understanding is that the requirement is that they work for a period of two to three weeks. This can be done by unemployment insurance claimants, though their benefits would stop during the period they were earning other money. They would not have to requalify when their work ceased, provided their payments are not stopped for a period in excess of four weeks.

* * *

[*Translation*]

INDUSTRY

ASBESTOS—SUGGESTED TARIFF ACTION TO FAVOUR QUEBEC INDUSTRY

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the leader of the government.

In the light of a suggestion I made last week, could the Prime Minister tell the House whether he is considering the possibility of intervening in the asbestos sector by taxing Canadian exports thus favouring Quebec industrialization?

Right Hon. P. E. Trudeau (Prime Minister): I do not remember, Mr. Speaker, that the member made that suggestion, but I will certainly consider it.

Mr. Wagner: Mr. Speaker, since the Prime Minister intends to consider this proposal, could he reach a

decision before the beginning of the GATT trade negotiations?

Mr. Trudeau: Mr. Speaker, I am of course willing to look into that matter as soon as possible. It might help me achieve this if I could know the Progressive Conservative party's policy relating to export tax. Would this tax be applied on every Quebec product or only on certain products mentioned by the hon. member?

* * *

[*English*]

GOVERNMENT BUILDINGS

PRIME MINISTER'S RESIDENCE—SUGGESTED CANCELLATION OF RENOVATIONS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Prime Minister. Noting that the Prime Minister himself has suggested to Canadians that they must learn in these days of shortages to make do with less, I ask the Prime Minister whether he will consider following his own advice by cutting down expenditures such as ash trays at $30 each, book matches at $76 and wooden matches at $161?

Mr. Speaker: Order, please.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am certainly prepared to consider putting these up for auction if this is the desire of the House. I think perhaps all hon. members should consider cutting back on their salaries, too.

Mr. Speaker: Order, please. Hon. members will observe that we are running short of time. I have serious reservations about a question asked in those terms. It is really in the form of a representation and is the kind of question which normally would be placed on the order paper. I will recognize the hon. member for a supplementary, after which I will recognize the hon. member for Malpeque.

Mr. McKenzie: In a more serious vein, Mr. Speaker, would the Prime Minister take under consideration the cancellation of the continuing renovations at 24 Sussex Drive that are already approaching estimates of $90,000?

Mr. Speaker: Order. The hon. member for Malpeque.

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FINANCE

FARM CREDIT PROGRAMS—REQUEST THAT INTEREST RATE BE STABILIZED AT PRESENT FIGURE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address my question to the Minister of Finance. In view of the fact that input costs for farmers are rising even more rapidly than the cost of food, can the minister assure farmers that the current 7 per cent interest rate on farm credit programs—for example, the Farm Improvement Loans Act—will not rise beyond that point at the next adjustment; and in any case would he give some assurance to the agricultural sector of Canada so that they can plan for the difficult financing of their greatly increased input costs?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I appreciate the significance of the hon. gentleman's question and I thank him for giving me notice earlier in the afternoon that he would put it to me. I am unable to predict what the interest rate will be, for obvious reasons, but I will have in mind both a realistic access to funds by the farming community, fishermen and small businessmen under the various guaranteed loan programs and, at the same time, a reasonable incentive to the private sector to enter this guaranteed loan field.

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AGRICULTURE

INTRODUCTION OF LEGISLATION RESPECTING FARM CREDIT POLICIES AND PROGRAMS

Hon. J. A. MacLean (Malpeque): I have a brief supplementary to the President of the Privy Council, in the absence of the Minister of Agriculture. Since his colleague, the Minister of Agriculture, stated in Manitoba a couple of days ago with regard to government policy that the second major thrust for the coming year is a complete revision of farm credit policies and programs, could the President of the Privy Council say, since this apparently will involve legislation, when such legislation will be brought down and the bills made available so members can at least study them and the agricultural sector can be given some indication of their prospects for the next crop year?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, there will at an early date be some items of legislation introduced. At least one that I have in mind at the moment will be put on the order paper very soon. There is a series of items that will be coming forward. However, I doubt whether we would be able to deal with them in any event before the end of March and probably they will not come forward until April or later.

* * *

● (1520)

HOUSING

GOVERNMENT ATTITUDE TOWARD REDUCING MORTGAGE RATES—POLICY RESPECTING LAND SPECULATORS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that Statistics Canada cites the increase in mortgage rates as one of the reasons for the increase in the cost of housing during the last month, can the minister inform the House whether he intends to bring forward a proposal that will effectively reduce mortgage rates in Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the answer is no because, in the tight housing market we now have, any subsidization of interest rates would probably be reflected in adverse capitalization of the value of a house.

Mr. Broadbent: Mr. Speaker, I will try another area of policy and direct this question to the same minister. Considering that the cost of land for serviced lots in urban Canada has gone up by about 60 per cent in the last three years and, not unrelated to that, the profits of housing development corporations have gone up by a somewhat higher rate, can the minister inform the House whether he is considering bringing in a 100 per cent capital gains tax on speculative land dealings?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, my colleague has of course been leading us toward land assembly stabilization in conjunction with provincial and municipal governments to stabilize land prices across the country. On the particular aspects of the question, that is a budgetary matter upon which I would be precluded, by the practice of the House, from expressing a view at this time.

STUDY OF HIGH COST OF HOUSING—REQUEST FOR REDUCTION OF SALES TAX ON BUILDING MATERIALS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is addressed to the minister responsible for housing and urban affairs. Has his department concluded a study relating to the high cost that Canadians must pay for housing to determine whether it is internationally induced, and will he now confer with his cabinet colleagues in order to reduce the burden of the 11 per cent federal sales tax on building materials?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, naturally there have been a number of analyses made within my department and others as to factors relating to the cost of housing. The budget program of Central Mortgage and Housing Corporation for land assembly and, the program of assistance to home owners are designed to answer some of these problems. I think the question in respect of the sales tax should be directed to the Minister of Finance as it is a budgetary matter. The cost of housing and the cost of land obviously represent serious problems in the country, but I regret the incredibly ignorant statements from the opposition parties about the way in which we are endeavouring to seek new solutions to these problems in an effort—

Mr. Speaker: Order, please. I would seek the co-operation of hon. members in limiting the number of supplementary questions as we are coming to the end of the question period, particularly if we are to have two or three additional questioners.

Mr. Grafftey: Mr. Speaker, I have one short supplementary question for the minister following his answer. Noting that the increase in the average selling price of houses in the year 1973 in Canadian provinces ranged from 4 per cent to 26.2 per cent, what specific proposals will the minister offer to alleviate this burden upon Canadians?

Mr. Basford: First, Mr. Speaker, to build as many houses as we can, and we have been building houses in this country at record levels over the last three years; second, to develop a very active land assembly program to stabilize the cost of land. We are engaged in allocating to the public assembly of land more money than governments of this country have ever done. Third, to have a well financed social housing program involving more money than has ever been involved at the federal level to assist people on low and moderate incomes to acquire houses; and fourth—

[Mr. Turner (Ottawa-Carleton).]

An hon. Member: Oh, sit down.

Mr. Speaker: Order, please.

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FINANCE

REQUEST THAT SALES TAX ON TEXTILE PRODUCTS BE REMOVED

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. With the increase of 5.5 per cent in the wholesale price index of textile products in the past year, and particularly in view of the fact that this increase has its most adverse effect on those in lower income brackets, will the minister take immediate steps to remove the sales tax on textile products?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, again, I am not the Minister of Finance.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, perhaps I could redirect the question to the Minister of Finance in the hope that he will not pass the buck quite so quickly.

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[*Translation*]

INDUSTRY

ASBESTOS—SUGGESTED TARIFF ACTION TO FAVOUR QUEBEC INDUSTRY

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to put a question to the Minister of Industry, Trade and Commerce, of which he has received notice.

Does he intend to modify the tariff applied on the exportation of crude asbestos with a view to encouraging mining companies to process the raw minerals in Canada?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the government is examining the desirability of further processing in Canada of Canadian raw materials, and we are also hopeful that at forthcoming negotiations of GATT there will be an opportunity to negotiate more opportunity for upgrading Canadian raw materials.

PUBLIC SERVICE

GOVERNMENT POLICY RESPECTING HIRING OF TEMPORARY STAFF

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. As excessive government spending is one of the main factors leading to inflation, and in view of the fact the government has spent in the neighbourhood of $6 million to $9 million in the use of private placement offices to hire temporary help for government services, I should like to ask the minister why the Department of Manpower, the function of which is to find placements and jobs for people in government departments, is not hiring these people.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the particular placement agencies to which the hon. member refers are generally involved in taking on temporary employees whom they then provide to people needing overload help. The Department of Manpower is in the business of referrals and has not yet been authorized to have a temporary pool of employees on its own staff to be then made available to others. We are looking at such alternatives and I will be discussing this matter with my colleagues, but the general policy thrust would come from the minister of another department.

Mr. Speaker: Order, please. I will recognize hon. members, without allowing supplementary questions, as we have reached the end of the question period. Perhaps for that reason the hon. member for Wellington, who has a supplementary question, might wait until tomorrow. I recognize the hon. member for South Shore.

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FISHERIES

HADDOCK—CUT-OFF DATE FOR UNITED STATES TRAWLERS AND OPENING DATE FOR CANADIAN FISHERMEN IN CERTAIN AREAS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Fisheries. In view of the heavy haddock landings at Boston on March 4 and March 6 by United States trawlers operating in ICNAF areas 5 and 4X, would the minister indicate whether any cut-off date for haddock fishing in these areas has been agreed upon with the United States, and when will these areas be opened to Canadian fishermen in order to increase the supply of food and thereby help keep food prices in check?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, in view of the fact that no other country has breached the haddock regulations, we hope that United States trawlers will cease taking haddock by March 17.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY AS TO SIGNING OF AGREEMENT WITH QUEBEC

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I would like to put a question to the Minister of Regional Economic Expansion.

When does he intend to make a statement in the House concerning the Ottawa-Quebec agreement and will that be soon?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, first I must draw attention to the fact that the minister has just left the House to meet senior officials from the Manitoba government concerning the general agreement which will eventually be signed with that province.

As regards the question of the hon. member for Sherbrooke, the minister does not intend to make any statement concerning agreements signed with each of the ten provinces. There are five remaining and I can assure him that, concerning the province of Quebec, the signing will take place next Friday in Quebec City.

* * *

[*English*]

INDUSTRY

GENERAL INSTRUMENT CORP., SYDNEY, N.S.—REDUCTION IN WORK FORCE—GOVERNMENT ACTION TO FIND EMPLOYMENT FOR WORKERS AFFECTED

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In light of the fact that the normal work force of approximately 1,000 employees at the General Instrument Corporation plant at Sydney has been reduced by 300 employees in the past few weeks, and the fact that much of the production of that plant is exported to the United States and Europe, will the minister investigate the problem as quickly as possible and also give consideration to having officials of his department meet with senior officials of the General Instrument Corporation to see whether we can get these people back to work?

● (1530)

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, in response to the hon. gentleman's advance notice of this question we have already been in touch with the company. I have instructed my officials to explore with the company whether there are ways in which we can assist the company to regain its export business. As the hon. member knows, some 90 per cent of its business is export.

Oral Questions

COMBINES

SUGGESTED REVOKING OF BUSINESS LICENCES OF COMPANIES CONVICTED OF PRICE-FIXING

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, my question is for the Prime Minister. In view of repeated prosecutions of three large sugar importers on charges of price-fixing and of concrete evidence of similar practices by other companies and indications that the imposition of fines appears to have little deterrent effect, is the government considering implementing legislation to provide for the lifting or suspension of the business licence of any company convicted more than once of deliberate price-fixing?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member will realize that the issue of such licences is under provincial jurisdiction. I would hope he would make representations to the appropriate provincial government. Insofar as the criminal aspect is concerned, of course we do act under the restrictive trade practices legislation and the House will have an opportunity to express its opinion on that subject.

Mr. Speaker: Order, please. Before calling orders of the day the Chair will recognize one question by the hon. member for Burnaby-Richmond-Delta and another hon. member.

ALLEGED PRICE-FIXING BY B.C. CEMENT COMPANIES—INVESTIGATION THEREOF

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Justice. In view of the fact that the Lafarge and Ocean Cement companies in Vancouver have had two price increases since January 1 and those price increases were of equal amount and were released on the same day, and in view of their past record, can the minister advise the House whether these two companies are under investigation again for price-fixing in the province of British Columbia?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that specific question would be more properly directed to the minister responsible for the Combines Investigation Branch than to myself. In that regard, it is not ordinarily appropriate to comment upon investigations under way until there is a result in terms of action.

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ENERGY

POSSIBLE CONTINUATION OF CANADIAN CRUDE OIL PRICE FREEZE

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I have a question for the Prime Minister. In order to protect the interests of the consumer, will the Prime Minister continue the oil price freeze in light of the fact that an end to the freeze would add more points to the consumer price index; or is the Prime Minister satisfied that Canadian consumers can cope with the cost of living?

[Mr. Gillespie.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member surely knows that at the federal-provincial conference in January the federal government undertook to ensure that further increases in price in the five provinces east of the Ottawa Valley line would be absorbed by the federal government, and that a very heavy subsidy will be paid in that regard for the benefit of consumers. The estimate is before the House now, and I hope we will have the support of all hon. members in passing that estimate. As for the future, after the end of March, beginning on April 1, negotiations are going on between the producing provinces and the federal government. We hope very much that before the end of the month we will be able to announce a continuation of the freeze, but not at the same level. We have committed ourselves to let the producing provinces increase their price at the wellhead, but not to the international level. The exact figure for that price is under negotiation now.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, ADMINISTRATION AND OFFENCES

Hon. Herb Gray (Minister of Consumer and Corporate Affairs) moved that Bill C-7, to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, I am pleased today to propose the second reading of Bill C-7. The purpose of the bill is to implement the first stage of the government's new competition policy. It is my intention today to outline the major provisions of the bill mainly in general terms. While I would be happy to answer questions and points raised by hon. members to the extent I have the opportunity to do so during the course of this debate, I look forward to the committee study of the bill where there would be an even greater opportunity for me to deal with hon. members' questions, ideas and suggestions and to discuss these with them, as well as all the various proposals of the bill, in full detail.

This bill reflects the view that all Canadians can benefit from having a marketplace subject to the stimulus and the pressures of the forces of competition. However, it places particular emphasis on measures to assist them as consumers and also as small businessmen. A fundamental necessity for consumers, if they are to operate successfully in a market system, is the availability of full and accurate information about the goods and service that are offered to them for sale. Therefore, the bill proposes to make considerably stronger and clearer the sections of our present competition law, the Combines Investigation Act, dealing with misleading advertising. The new bill forbids

the making of a representation to the public that is false or misleading in any material respect.

As the House may know, this is a broader coverage than in the present law which applies largely to published advertisements. The bill would define a representation to the public as including anything imprinted on or attached to the article offered for sale, expressed on a point of purchase display or on display advertising. In fact, it would also include statements made by the salesmen. In addition, the bill would make clear that a representation may be misleading, and therefore forbidden by it, equally because of the general impression it conveys as much as from its literal meaning. But one can well argue that even full and accurate information about goods and services offered is not sufficient for consumers when those products, and often those services, more and more frequently involve advanced and complex technology beyond the knowledge and understanding of most people today. Therefore, I believe the consumer today must have greater assurance than is the case at present concerning the basic standard of performance to be reasonably expected from the product or service in question.

This, I think, means improving and strengthening our laws on warranties and guarantees. Much of this area falls within the provincial jurisdiction, pertaining as it does to the law of contract. However, the federal government also has jurisdiction in this area and has proposed in Bill C-7 new protection in this field using this jurisdiction to deal with the deceptive and misleading aspects of warranties and guarantees. I think these proposals should complement any provincial reforms which eventually would come in this area. They would at the very least provide some basic form of protection for consumers across the country irrespective of the extent the province in which they live may or may not come to update its law in this regard.

The bill therefore proposes that it would be an offence to make a representation to the public in a form that purports to be a warranty or guarantee of a product that is materially misleading. It proposes that it would be an offence to offer a warranty or guarantee if there is no reasonable prospect that it would be carried out. Any warranty or guarantee that limits the supplier's liability to a standard lower than that which would apply under the civil law would be deemed to be materially misleading unless the fact that it is limited in this way is clearly stated in it. Also, warranties that confer no material advantage on the purchaser would be considered misleading in a material respect, and therefore contrary to the proposed bill.

The bill would also prohibit under criminal sanction a number of selling practices if they are carried out as defined in the bill. I think it could be said there has developed a commonalty of view about them that they should not be allowed in these forms in the marketplace. These practices are: referred selling, pyramid selling, bait and switch selling, double-ticketing and sale above advertised price, and I propose to discuss them in full and complete detail when the bill is before the appropriate standing committee.

• (1540)

Another necessity for the effective operation of the marketplace is that arrangements and agreements between sellers do not deprive consumers and businessmen as well of the benefits of competition with respect to such things as price, quality and range of products available. Bill C-7 would strengthen the government's ability to deal with collusive agreements in restraint of trade by redefining the test that must be met in order to prove that such agreements are contrary to the law. The present law states that for an agreement to be contrary to it, it must be proven that the agreement prevents or lessens competition unduly. But in some cases in recent years the courts have interpreted the word "unduly" to mean the complete or virtual elimination of competition in the relevant market. In other cases, the courts have disagreed with such a demanding interpretation.

In any event, cases can and do arise in which competition is lessened to an extent that is obviously detrimental to the public but which might not meet the severity of the test of complete or virtual elimination of competition. The bill proposes, therefore, that in order to prove that an agreement prevents or lessens competition unduly, it would not be necessary to establish complete or virtual elimination of competition in the relevant market. In other words, the amendment would make clear to the courts that parliament does not intend the more rigorous interpretation, which has been a matter of argument in the courts for some years, to be the one to be applied.

Let me turn to another matter important to the development of law whose purpose is helping to ensure the effective operation of the marketplace in the interest of the consumer and of all Canadians. This is the extent to which that law in fact applies to activities carried out in the marketplace. At the present time, our competition law, the Combines Investigation Act, does not apply to services, aside from a few limited exceptions. Yet the service sector comprises some 20 per cent of our gross domestic product. The bill, therefore, would extend our competition law to cover services generally. I think this is a major step forward in the development and putting in place of competition policy in Canada. The bill itself mentions some limited exceptions, but one basic exception to this coverage would be with respect to those activities authorized or regulated by other valid federal or provincial laws.

This exception is not stated in the bill itself but arises out of existing jurisprudence. The effect of this jurisprudence, taken together with the proposals in the bill, would mean that all economic activity in Canada would be subject to some form of social control on behalf of the public, either through federal competition law or through other specific provincial or federal legislation. If a sector is taken out of the purview of competition law through being placed under another law of a regulatory nature, I think it can be said that this means in effect that the Canadian people, through their elected representatives at the provincial or federal level, have decided that this form of social control is more desirable and more in their over-all interest than the form made possible through competition policy.

Turning to another matter, the bill would make bid rigging, that is, the practice of entering into agreements to

refrain from bidding on tenders or submitting tender prices arrived at by collusion, to be an offence without further proof of the intention or effect of this practice.

Also, the present law regarding resale price maintenance would be strengthened by the bill. Resale price maintenance keeps selling prices higher than they would otherwise be by eliminating competition at wholesale and retail levels. One of the ways the bill strengthens the present law is to make it an offence not simply to require a customer to resell a product at a specific price but to make any attempt to influence upward or discourage the reduction of a price.

The bill also strengthens the rules for competition in the banking industry but proposes that their application be the responsibility of the Inspector General of Banks.

The bill deals with a number of trade practices which under certain circumstances could be acceptable but not in others and which could have detrimental effects, again depending on the circumstances. The practices dealt with in the bill are: refusal to deal, consignment selling, exclusive dealing, tied sales, and market restriction. Such practices could, under certain circumstances, be used to prevent the free operation of market forces and limit the consumers' choice. They have been the cause of many complaints to the combines branch, particularly from smaller businessmen who feel they have been restricted in their business activities on the part of suppliers or would-be suppliers. But, the present law does not cover these particular practices.

Under the bill, the Restrictive Trade Practices Commission would be given the power to issue orders forbidding or modifying these practices. These orders would have the same effect as orders of a civil court and they could be made by the commission following hearings on particular situations brought before it by the director of the combines branch. The bill also proposes that failure to comply with such an order would be grounds for a criminal prosecution.

The sections setting out matters reviewable by the commission make provision to protect the rights of the parties against whom an order is sought. Each practice is defined, as are the conditions under which an order may be made in each situation. Moreover, before any order can be issued, anyone against whom an order is sought in the words of the bill, "must be afforded a reasonable opportunity to be heard." These words in the act, when read together with the Federal Court Act to which I will refer in a moment, are intended to cover such matters as the right of the person against whom an order is sought to know the case against him, the right to call evidence to answer it, the right to cross-examine and the right to appear in person and be represented by counsel or otherwise.

Appeals from decisions of the commission will be provided by the Federal Court Act to the appeal division of the Federal Court where the commission failed to observe a principle of natural justice or otherwise acted beyond or refused to exercise its jurisdiction, where it erred in law in making its decision or order, or where it based its decision or order on an erroneous finding of fact that it made in a perverse or capricious manner or without regard for the material before it.

[Mr. Gray.]

One very important proposal in the bill, in my view, is that the Restrictive Trade Practices Commission be given the jurisdiction to make orders to forbid the implementation in Canada of foreign judgments, laws or directives where it found them to be contrary to the Canadian public interest. This would include such matters as their effects on Canadian trade and industry. The bill proposes that the director of the combines branch would have authority to bring such situations before the commission, and where the orders are not obeyed this would be grounds for criminal prosecution.

I think that recent events have demonstrated the importance of this proposal and have provided a strong argument for the House to make a favourable decision on this bill at the earliest possible date.

Some hon. Members: Hear, hear!

Mr. Gray: Let me go on to say that the benefits of the proposals in a bill like the one now before the House, in my view can become meaningful only to the extent that there is improvement in the procedures and remedies available for their application and enforcement.

Here, too, I believe the bill would bring about positive change. The bill calls for the Attorney General of Canada and the provincial attorneys general to be given the power to seek interim injunctions to prevent the repetition or continuation of alleged offences against the act until the main issues are settled by the courts. This would be a completely new procedure in so far as competition law in Canada is concerned.

Equally new is the proposal that anyone injured by a violation of the act would be able to sue for full damages and costs. As I have said previously, I believe that to be meaningful this right should be exercisable not only by an individual citizen or government but also by citizens as a group through class or representative actions.

● (1550)

It is my hope that the bill in the form in which it is finally approved by parliament will enable class actions to take place for damages caused by violations of it, in so far as the federal parliament has the authority to make such a decision. As also I have said previously, I have already asked officials of my department and of the Department of Justice to explore what further drafting may be required to accomplish this important objective.

The bill also contains proposals that could well lead to a speeding up of the bringing to trial and disposition of cases dealing with competition matters. As you know, Mr. Speaker, the present law states that such cases can be brought either in the provincial courts or in the Federal Court, but in order to bring such cases in the Federal Court the consent of the accused must first be obtained. The new bill proposes that where the accused is a corporation it would not be necessary for the Crown first to obtain its consent in order to bring a case under our competition law to the Federal Court. It also proposes that trials could be held either in the place of residence of the individual or company involved or in the place where the offence was committed. These proposals, I think, would enable the Crown to have regard to the volume of work

already pending in a particular court before deciding where to launch a certain proceeding.

Hon. members will have noted that the proposals in the bill are cast in the form of amendments to the existing Combines Act and not as a complete replacement for it. This, I submit, will make easier to apply and will make more immediately effective this first part of the government's program to modernize our competition law.

I would also submit that the bill deals not only with matters of direct and current concern to consumers and small businessmen but also proposes important changes in broader areas of competition policy which are applicable to large as well as small companies.

I think this is demonstrated by what I have said about such matters as the extension of the total purview of our competition law to services, the change in the definition of the term "unduly", as well as giving the Restrictive Trade Practices Commission the authority to review certain kinds of business practices.

What, then, remains for the second stage of competition policy? I think it could be said that generally speaking there is a need to develop legislation containing additional criteria and methods upon which to judge mergers, monopolies and specialization agreements. These, although they may be restrictive of competition, could on balance be in the public interest through their effects on efficiency and productivity, depending on the particular circumstances involved.

There have been many arguments made that there are circumstances where the criminal law approach alone should not be used, but instead there should be a way of applying statutory tests to determine what the effects of a proposed merger would be on competition and efficiency. If the tests are not met, it could be argued that there should be a procedure for dealing with the transaction by appropriate remedial orders.

Certainly a high priority will have to be given in stage II to provisions which will enable competition law to play its part in helping improve the efficiency of Canadian business and its ability to compete abroad. In the bill to implement stage I which is now before the house it is proposed that the Restrictive Trade Practices Commission be given new jurisdiction to review and, in certain circumstances, to make remedial orders about certain kinds of trade practices. Another aim for stage II is to decide what other trade practices should be made subject to review in the same way.

Among the practices which we are looking at are interlocking directorates, delivered pricing, reciprocal buying, quantity discounts, and loss leaders. Their effects may vary depending upon the circumstances, and these practices, I think, are candidates for handling in the same way as are the trade practices covered in stage I, that is, initially by a civil approach rather than by a criminal one so that under proper circumstances the economy would not be deprived of what could be instruments useful for competitive purposes.

As I have said, I think we should consider whether general jurisdiction in the trade practices area should and could be created at the federal level similar to that exercised by the Federal Trade Commission in the United States. This body, as the House may know, in addition to having jurisdiction to prohibit or modify specific activities has broad authority to prohibit unfair methods of competition and unfair or deceptive acts or practices generally in the marketplace. It has authority to issue cease and desist orders under threat, initially, of civil penalties and to issue guidelines with respect to practices in a specific industry or with respect to certain kinds of practices, irrespective of the industry in which they are found.

I have said previously that one argument for the federal government using a general approach in the general trade practices area would be that it would be done on a national basis and would therefore help bring about a useful degree of uniformity across the country. I have argued that this would avoid a multiplicity of possibly overlapping and confronting rules, and thereby facilitate Canadian economic activity.

All that I have said so far underscores the necessity in stage II of making decisions on appropriate institutions and procedures to enable any possible policy changes of the kind I have mentioned to be carried out fairly and effectively. Decisions in this area are another objective of the second stage of competitions policy. By having the areas which I have just mentioned, particularly those dealing with mergers and specialization agreements, dealt with in the second stage of competition legislation, I think there can be greater certainty that this will be consistent with the government's evolving industrial policies and its foreign investment policy. At the same time, by asking the House to deal now with Bill C-7 I am taking action on behalf of the government to enable parliament to take decisions earlier than would otherwise be the case in some important areas particularly relevant to present public concerns linked with current inflationary pressures.

Let me now take a moment to pay tribute to the Minister of State for Urban Affairs (Mr. Basford) and to the Minister of Manpower and Immigration (Mr. Andras) for their efforts which helped lead to the bill now before the House.

In conclusion I want to say that the proposals in Bill C-7 to implement the first stage of the government's new competition policy, as well as the proposals to come in the second stage of policy development will, I submit, result in legislation which will at one and the same time help bring about a more efficient and productive Canadian economy, and help provide expanded consumer protection in a marketplace characterized by high technology and massive organization of production and distribution. I therefore urge the House to give second reading to this bill as quickly as possible so that it can go at the earliest possible stage to committee for detailed but, I hope, speedy consideration and decision.

Some hon. Members: Hear, hear!

Mr. Ron Atkey (St. Paul's): Mr. Speaker, it is with mixed feelings that our party joins this debate on major amendments to the Combines Investigation Act. On the one hand we are glad that the government has finally learned its lesson after the debacle it created with its infamous Bill C-256, the competition act, in the twenty-eighth parliament. The bill before us today represents a rejection of the omnibus nature of the earlier proposal,

and it rightfully proceeds in an incremental fashion. It is in a form which is more manageable in size and is less radical in its philosophical and legislative thrust. Also, I think there are practical advantages to bringing in this scaled-down competition policy as an amendment to the existing act, as opposed to introducing a brand new act.

We are also pleased that the government appears to be giving some priority to the consumer protection aspects of competition policy, a course of action strongly recommended by PC members of the Special Committee on Trends in Food Prices last spring, which recommendation eventually found its way into the first report of that committee. I suppose that if this government is going to do nothing to try to stop inflation, the very least it can do for consumers is to provide some means of redress against the misleading or unfair practices of unscrupulous merchants in the marketplace.

● (1600)

I said we approach this debate with mixed feelings. On the negative side, we are rather puzzled by the sudden haste of the government in introducing a bill of this magnitude and importance on a Monday and rushing it into second reading on a Wednesday, two days later. The legislation involves fundamental philosophical considerations of a political, legal, economic and federal-provincial nature. It creates, to all intents and purposes, a new, highly centralized agency which has the potentiality of interposing itself into a major segment of Canadian political and economic life. Affecting matters within both federal and provincial jurisdiction, the bill will permit the Restrictive Trade Practices Commission to alter or restructure market distribution systems in Canada in an unprecedented fashion.

The point is that this bill, in its substantive impact, is no minor tinkering or legislative patchwork job. It is major legislation and deserves careful scrutiny and a full and informed debate, not only by members of this House but by the many businessmen, consumer groups and provincial governments who will be directly affected by its provisions.

I want to make it clear to the minister that it is the position of our party that persons, associations or provincial governments wanting time to study and analyse this bill should have it in order that meaningful briefs can be presented to the standing committee to which it is referred. We would suggest that a minimum period of some four to six weeks prior to commencement of committee hearings might be in order to permit this study, analysis and preparation, fully acknowledging of course that this bill is identical in form to the one the minister introduced on November 5, 1973.

A more important reason for our mixed reactions to this bill relates to the main reason why the bill was probably brought on in such haste. That is the shocking revelation over the past few weeks of the apparent inability of the Canadian government to protect Canadian economic sovereignty, as was so clearly evidenced by the almost aborted sale of Canadian locomotives to Cuba by MLW-Worthington Limited of Montreal. Members will recall that the company is a United States subsidiary carrying on business in Canada but which felt bound by the provisions of

[Mr. Atkey.]

the United States trading with the enemy act. That foreign law would have prohibited the sale to Cuba.

Obviously, the minister has felt compelled to bring in the amendments to the Combines Investigation Act because they contain provisions granting powers to the Restrictive Trade Practices Commission to review instances where foreign judgments, foreign laws or directives from foreign managers are contrary to the Canadian public interest and, after according full opportunity to be heard, to make orders forbidding their implementation in Canada. As indicated by my leader on several occasions in this House last week, we agree with the goal of this legislative provision. It is obviously designed to prevent another MLW-Worthington situation from occuring.

Yet let us examine what the bill before us actually does in this area. Decisions which can have a fundamental policy impact on relations between sovereign countries, and adversely affect Canada's foreign trade or external relations, are delegated to the Restrictive Trade Practices Commission. Who ever heard of it before this bill was introduced? The government, wrongfully in my view, will be abdicating its own responsibilities to make policy decisions of this magnitude. We would strongly urge that the government reconsider vesting decisions of this sort in the Commission and consider vesting these decisions in the governor in council, in the same fashion that it does in making decisions to reduce tariffs or in making decisions respecting "significant benefit" under the Foreign Investment Review Act.

It would be all right for the RTPC to make recommendations to cabinet, but let us not have any abdication of responsibility on fundamental questions of economic policy. The Canadian public are entitled to know what the government of Canada will do about the implementation of a foreign law or directive that may affect our external trade or relations. The government should take the responsibility and not pass the buck to the RTPC.

What are the dangers of allowing the government to abdicate its responsibility in this area of fundamental policy? One has to refer only to the speech last Thursday of the Minister of Transport (Mr. Marchand) in the throne speech debate to see a graphic example of what I mean. In explaining to the House why he had been unable to pursue any real transportation policy as Minister of Transport, the minister gave this little anecdote:

> Hon. members may say, "You are the minister: you do it." I have a few answers to that, Mr. Speaker. It is true that hon. members gave responsibilities to the minister, but they forgot to give any authority at all in many instances . . . I told you I would not make a political speech. I am just trying to tell you the facts. Everything is done the same way. We have the CTC, which has final authority over almost everything, except in a few cases where there is provision for an appeal to the minister.

That explains the whole problem. The government must not be allowed to abdicate its responsibility to a subordinate agency and then come back and tell the Canadian people that it does not have the power to pursue a policy which it considers necessary.

Now let us move on and look at some of the other powers granted to the Restrictive Trade Practices Commission. The most far reaching power granted to the RTPC is to review instances of refusals to sell a product and to order a supplier to supply, or to recommend tariff

changes. At first blush this power seems disarmingly simple and reasonable. But upon further examination one can see that its practical implementation may have a radical impact on the nature of distribution systems for products in Canada which may well be inconsistent with the real economic and structural facts of life in this country.

The provision effectively will put the onus on the seller to justify his distribution system when he is called before the commission. That will likely be the general approach since the act invites the imposition of sanctions if the commission finds that the reason for inability of the person to obtain adequate supplies of the product is "an inadequate degree of competition in the market". There is no onus on the Director of Investigation and Research who brings the initial application to prove the inadequate degree of competition. Clearly, there is an open invitation for the commission merely to find it. The conclusion that refusal to sell is synonymous with inadequate competition may be too inviting for the commission under these circumstances.

But perhaps even more important than this reversal of the onus of proof is that this section represents a denial of the fundamental right of any seller to deal with whomsoever he wants. Not only does this right have a solid foundation in the common law of English jurisprudence, but the American legislation, with all its sophisticated provisions, clearly has no restrictions of this nature. Neither was any such restriction ever considered by congress when the legislation was last amended. Yet in that country, discount selling, which apparently is the aim of the minister in proposing the power for Canada, is flourishing to a far greater extent than in this country.

From the manufacturers' and distributors' point of view, taking away their right to refuse to sell in Canada would have a huge impact on their existing marketing systems of distribution. The provision also raises serious questions for various franchise systems, the practice of private branding, offshore suppliers and technical servicing requirements. These are matters of detailed substance which will have to be explored at the committee stage of this bill. One would hope that the minister might provide a fuller explanation of what he is trying to achieve and how he justifies the means that he has adopted. Also, one would hope there would be some explanation as to why this provision permits the commission to single-out one supplier for attention rather than merely authorize an order of general application to be applied to all suppliers in the same position.

There are also problems of procedure with the powers that are granted to the RTPC over refusals to sell, exclusive dealing practices, tied sales, market restrictions, etc. The minister very ably went through some of the procedural problems and provided some of the answers. While the act does specify that in the exercise of these powers the parties affected must be given "a reasonable opportunity to be heard", and that is a matter subject to judicial review in the Federal Court, the commission is left to make its own rules for the regulation of its proceedings and the performance of its duties and functions under the act. This may well lead to uncertainty and possible arbitrariness in proceedings before the commission, problems which might otherwise be overcome through specifying certain minimum procedural protections in the legislation itself. That is the drafting approach we would favour.

● (1610)

For example, the act is silent as to a right of reasonable notice of the hearing, the right to call and examine witnesses and to cross-examine other witnesses, the right to reasonable adjournments of the hearing and the right to a written decision with reasons. Perhaps more important as a practical matter is the silence of the act on the extent to which a party to be affected by an order of the commission will have access to and advance notice of the research done by the commission's staff in preparation for the hearing. With respect to a hearing on a refusal to sell application, for example, a manufacturer or distributor would want to have some advance information as to the concentration ratios the commission would be likely to adopt as its test for determining who is the dominant seller supplying goods in conditions of "inadequate degree of competition."

Even more important is the relationship of the commission research staff to the commissioners who will, after all, be making judicial and quasi-judicial decisions on many of the applications before them. In order to maintain the decision-making integrity of the commission in a quasi-judicial context, should not the commission's staff be attached to the Director of Research and Investigation, who makes the initial application, instead of the commission in order to guarantee fairness and the appearance of fairness?

Finally, it is our view that the standing committee giving clause by clause study to this bill should examine carefully whether there is need for a substantive right of appeal to the courts from an order of the RTPC. It is acknowledged that sections 18 and 28 of the Federal Court Act provide a comprehensive right of review of commission decisions made on a judicial or quasi-judicial basis. The minister is quite in error when he calls it a right of appeal. I hope the minister will provide the rationale for the sufficiency of this review right in light of the recommendations in many of the briefs already submitted for a broader right of appeal.

One of the significant and more desirable aspects of the bill before us today is the application of many of the prohibitions of the act to service industries. This obviously has been included as a result of a very strong recommendation of the Economic Council of Canada in its interim report on competition policy released in August, 1969. The importance of this change is demonstrated by the fact that service activities previously not subject to the prohibitions of the act make up approximately 20 per cent of the gross domestic product of Canada.

There are various classes of service industries which are exempted for one reason or another. The largest, most important class of exemption is service activities which will be covered by laws, usually of a province or municipality, which regulate or authorize them. For reasons not entirely clear, the minister has not specifically included the exemption in the provisions of the bill but has taken the position that it flows from judicial interpretation.

The minister points out that following the Farm Products Marketing Agencies Act reference to the Supreme Court of Canada in 1957 it was held that regulatory schemes based on valid legislation, whether federal or provincial, could not be held to be "to the detriment of or against the interests of the public", as the then Combines Investigation Act put it, nor could they be schemes "to unduly limit or prevent competition" within the meaning of the then section 411 of the Criminal Code. This class of exemption will include services such as the professions, telephone companies and other forms of communication, and electrical power industries. They will all continue to enjoy immunity from combines prosecutions to the extent that their activities are specifically regulated or authorized by law.

We seriously question whether the reliance on judicial interpretation is really the right way to go about providing this class of exemption. As a practical matter, it will create uncertainties for various service industries which will be unable to determine whether their pricing practices are exempt from the federal prohibitory net. The securities industry is a case in point. While the bill specifically exempts bond and stock underwritings and primary distribution by groups of investment houses acting together in order to spread the risk, it is silent as to the rates of commission charged by brokers on the purchase or sale of listed or unlisted securities. The commission rates on all listed shares are set by the by-laws of the stock exchange which are subject to review and approval of the provincial securities commission in most cases.

On the one hand, it may be argued that because the bill specifically exempts bond and stock underwriting and primary distribution, then by implication it would include within the net of its prohibitions agreements as to its commission rates. Yet there is a 1907 judicial precedent, *King V. Gage,* holding that the by-laws of the Winnipeg Grain Exchange were not an undue restraint on trade and therefore exempt from federal combines law. However, that precedent would apply only to commodities regulated by the exchange which would not include unlisted shares traded by brokerage houses, the commission rate for which is generally agreed on as a matter of practice.

The practice of leaving the matter of judicial interpretation not only flies in the face of the normal doctrine of paramountcy, but it leaves quite an unacceptable and uncertain result for service industries wanting to know where they stand. In this regard, reference should be made to the remarks of Professor Bruce MacDonald of Queen's law school, an expert in the combines field, in an article in the 1969 Canadian Bar Review. I quote:

> It may be that the courts, in refusing to apply the doctrine of paramountcy in favour of the Combines Investigation Act over provincial regulatory legislation, have achieved a politically viable solution. But when political accommodation is dependent upon a legal solution formulated by the courts, completely satisfactory results are fortuitous.

I suggest that the minister give consideration to providing a specific clause outlining the nature of this exemption for activities subject to special regulation. Clause 92 of Bill C-256, the competition act, in the last parliament attempted to do this, and I think a clause along these lines would be preferable to the form of the act before us today. In this way, service industries could have a much clearer indication of whether their activities violated the act and whether they required special provincial legislation to legitimize their situation. I would mention, in particular, real estate agencies, advertising agencies, optometrists and telephone answering services which will find the situation somewhat unclear and which, along with the investment houses, would be assisted by a more specific clause.

I also want to indicate support for the clause of the bill providing that proclamation of the law in relation to agreements in restraint of trade in the service sector may be brought into force at a later date than the remainder of this legislation. This is necessary, obviously, to permit a reasonable time for the service sector to modify its practices in the light of the new provisions, or for them to be covered by valid provincial legislation, a process which takes a considerable period of time.

There are other specific exemptions of service industries which we find puzzling. For example, no rationale has been given for the exemption of collective bargaining activities. We think it is high time in Canada that the government applied anti-combines laws to the labour unions. We wonder whether it is the government's present coalition arrangement with another party in this House that prevents them from moving in that direction. Last September 20, the Prime Minister (Mr. Trudeau) gave an interview to Anthony Westell of the Toronto *Star* in which the right hon. gentleman said this:

● (1620)

> We accept that big business and big unions are monopoly type powers that can be the cause of certain types of cost-push inflation, and we acted to counter that. The main thrust of our competition act didn't pass in the last parliament, but we said in the Speech from the Throne that we are going to reintroduce it in a different form. The main thrust still will be to counteract that monopolistic power. It will be to restore competition so that big businesses, monopolies, oligopolies will not be able to keep prices up or wages low because they have such a large hold on the market.
>
> I intend, as Prime Minister, to counter that type of monopoly. I would include eventually the monopoly of labour in some of the large unions. But as you will see from our bill, as you saw from the last one, we are dealing first with the monopoly of business because that is the more dangerous one . . . having dealt with that, if we are successful, we may also act in other laws to deal with the monopoly of labour.

Well, let me tell the Prime Minister, Mr. Speaker, that we think the government should deal with the monopoly of labour in some of the large unions right now, in the context of the bill which is before us.

Another curious exemption is the banks. While the bill creates minor amendments to the Bank Act dealing with agreements as to service charges, the amounts or kinds of loans or services, or persons to whom the loans or services will be made, we believe the minister should at least provide an acceptable rationalization as to why the banks should continue to be treated differently, under the jurisdiction of the Minister of Finance. This is a different and softer type of combines regime than exists for other financial institutions such as the trust companies and insurance companies.

The banks in this country, while they have been prosperous and efficient, have never been noted for their competitiveness. This is only too well known by small Canadian businessmen unable to secure adequate financ-

ing for their proposed business activities. Perhaps at the next ten-year review of the Bank Act there will be time to consider this question. In the meantime, I hope the Minister of Consumer and Corporate Affairs (Mr. Gray) will provide an acceptable rationale for their exemption from the present bill, at least something better than has been contained in the flurry of documents emanating from his office over the past few months.

Now, going back to the consumer protection provisions dealing with such matters as misleading advertising, bait and switch selling, untrue or misleading warranties or pyramid selling, it is in this area that we have the fewest differences of opinion with the government. However, there are a few matters of principle which give us cause for concern and which we would like the minister to consider prior to the committee stage of the bill. For example, on the misleading advertising provisions, why has the government eliminated the defence of *mens rea* or honest mistake by the merchant or advertiser prosecutions under those sections? In moving from the "credulous man" test to the "general impression" test, why did the government consider it necessary in section 36(5) to insert a "literal meaning" test as well? Why has the government sought to exempt printers and publishers from misleading advertising prosecutions, but not broadcasters? Should they not all be liable to prosecution if what they print, publish or broadcast is materially false or misleading?

To what extent, if any, has there been consultation with provincial governments which, after all, have power to introduce their own legislation on warranties and testimonials, pyramid and referral selling, bait and switch selling, and so on. What assurances can the minister give us that the legislation will not duplicate or conflict with provincial legislation, thus causing uncertainty and confusion for those in the marketplace? It is significant in this respect that the minister, upon introducing Bill C-227 on November 5 last, told us that he planned some form of provincial consultation after the bill had received second reading and been referred to committee. This was certainly a presumptuous posture on his part, indicating that he wanted to establish a parliamentary toe-hold as a bargaining tactic before approaching the provinces.

This, surely, is not the way to conduct federal-provincial relations; I would have thought that the government, as a result of its experiences in the field of energy, would by now have learned its lesson. This subtle but gradual erosion of provincial powers through unilateral extension of the criminal law is inimical to most provincial governments and it is about time the federal government started consulting and co-ordinating in the consumer area, rather than confronting and cajoling.

As a general proposition, and speaking personally, I am inclined to support the section of the bill bringing professional and amateur sports within the ambit of the Combines Investigation Act in the same way as other services, with the exception of specified arrangements among member clubs of the same sporting leagues. The commercial exploitation of young Canadian athletes has been going on for too long now, particularly in professional and amateur hockey.

We want to take a close look in committee at the provisions which purport to take into account the need for clubs to agree on arrangements for maintaining a balance among teams in their own league, particularly as this may affect many local amateur baseball and hockey leagues throughout Canada which could not survive without this sort of guarantee. At the same time, as the government moves in this direction it might consider ways and means by which a portion of the large signing bonuses paid to coming young professionals might be returned to the communities which developed their playing abilities, for the promotion and maintenance of the amateur leagues there as well as for the further development of young players there.

Some hon. Members: Hear, hear!

Mr. Atkey: There ought to be some sort of economic return when those young players come along and hit the big time, and I believe the government should give us a commitment that they will do something about it. I am pleased to see the Minister of National Health and Welfare (Mr. Lalonde) in his place. I cannot help but wonder why the sections promoting competition in professional sports could not somehow have been brought to the attention of the Minister of National Health and Welfare who is blatantly seeking to protect the monopoly of the Canadian Football League against the competitive threat to the Toronto franchise of the World Football League. It is a sorry spectacle to see one minister of this government promoting competition and another, in the same week, seeking to deny it. Perhaps the Prime Minister might reconcile these ideological differences of opinion and clear up the confusion.

The bill before us provides important new civil remedies for persons who have suffered loss or damage resulting from a violation of the act or an order of the commission or a court, together with his full costs. Under the previous competition act, Bill C-256, there was provision for double damages, but the government has now wisely concluded that this was overreaching. The bill also provides that, for the first time, the courts will be able to issue interim injunctions to prevent the commission or continuation of suspected offences against the act until the main issue is disposed of. In many practical business situations this protection is even more important than the right to recover damages, because it allows victims of anti-competitive practices to take immediate action to protect themselves, pending ultimate court adjudication.

I thought the minister was really becoming quite bold when on February 2, in a speech he made in Toronto, he recognized the necessity for civil damage suits through class or representative actions. He said at that time:

> It is my hope... that the bill in the form in which it is finally approved will enable class actions to take place for damages caused by violations of it, insofar as the federal parliament has the authority to make such decisions. I have therefore asked officials of the combines branch under the Department of Justice to explore what further drafting may be required to accomplish this important objective. Of course, it may well be unlikely (and here I am not expressing a final opinion) that the federal parliament will have the power to authorize class actions in those courts whose procedures are determined by provincial authorities. However, the bill proposes that the right to sue for damages which I have mentioned can be exercised not only in the provincial courts, but in the federal courts as well. And, I would presume that the federal parliament would have authority to deal with procedures to be used in a court created under federal law.

● (1630)

Well, Mr. Speaker, some time between February 2 and last Monday the minister lost his nerve, for unfortunately we see no class action provisions in the new bill that he has brought forward. I sincerely hope that his courage returns by the time the bill is discussed in committee.

As for the criminal penalties in the bill, the government has apparently learned its lesson and is no longer trying to bludgeon the business community to death as it did with its $1 million and $2 million fines in the earlier bill, and the invidious section which presumed directors liable for offences of which the corporation had been convicted, which was really a denial of the due process of law.

However, by leaving the maximum fine under this bill at $10,000 with an alternative or supplement of imprisonment for one year, there may be the danger that the courts will be invited, perhaps to an excessive extent, to make use of the imprisonment section for serious contraventions of the act. I would prefer to see the maximum monetary fine increased to, say, $25,000 both as a move away from imprisonment as a means of regulating the economy, and in recognition of the fact that a monetary fine must on occasion be sufficiently high in order that it does not become just a licence fee as the price of continuing illegal activities.

There are many more problems with this bill which will undoubtedly come to light in the course of discussions in committee and as a result of the submissions that I know will come forward from consumer groups, business groups and from provincial governments. The far reaching powers to be granted to the Restrictive Trade Practices Commission will require the closest scrutiny both as to substantive standards and as to matters of procedure. Throughout the complex legislative process that lies ahead in which the government seeks to grant new powers of intervention in business, to create a new agency, and to set up new standards of business behaviour, it will be good discipline for a member involved in the process to ask himself from time to time whether all the provisions of the legislation are really necessary, given the economic and structural facts of life in Canada today. I can assure you, Mr. Speaker, that members on this side of the House will ask themselves that question from time to time, and that will be our pragmatic approach as we assess each area of regulation.

As for the minister's purported second stage of his competition policy dealing with industrial restructuring, mergers, monopolies and specialization agreements, let me simply say that he should proceed with extreme caution. My colleagues on this side of the House will have more to say on this later in the debate.

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, on behalf of my party I offer this bill a qualified welcome. I think it is a useful piece of legislation, by and large, so far as it goes. I agree with the decision of the government to proceed with this phase of the competition policy about which it has talked for some time. Meanwhile, we await the second, and in my judgment more important, phase that the government suggests will be along before the end of the year.

[Mr. Atkey.]

However, I want to say at this point that I do not agree that we need to wait that long for the second stage of the competition bill. Just because we move now to consider the implications of the legislation before us does not mean that there is any good reason to delay stage two. I therefore begin by urging the government to accelerate its schedule and to introduce the second stage of its competition policy at an earlier target date than it now appears to plan.

I should like to make one or two comments on the remarks made by my hon. friend from St. Paul's (Mr. Atkey). I do not fault the government for its haste in bringing in this bill on a Wednesday, having first introduced it on Monday. It is, of course, the same bill that was introduced in this House in the last session, and it is in many respects the end of a process that began a couple of years ago when the government initiated a wide ranging discussion on competition policy.

From my point of view, this legislation has appeared none too soon. I hope the bill will proceed to committee without lengthy debate and, in view of the fact that much discussion has already taken place on the general principles and philosophy of competition policy, that we can avoid the bill's being bogged down in committee as it is lobbied by one group or another over a lengthy period of time.

Of course, this is not to deny the right of interested parties to appear before the committee. But I am not anxious to be party to a procedure which sees the effective implementation of this bill delayed for a long period of time while many of those groups which have already had a substantial say in the formulation of the government's basic, philosophic approach come back to have another crack at it.

On many aspects of this bill I defer to the expertise of my learned friend from St. Paul's and associate myself with some of the caveats that he has entered against specific aspects of the bill. I would, however, most emphatically dissociate myself and my party from his views on the collective bargaining process and, I may say, from the views which he quoted as being those of the Prime Minister (Mr. Trudeau). In this respect I am afraid his bias got the better of his learning.

The organized labour movement will indeed be surprised to discover from my hon. friend that it is a monopoly, especially when organized strikebreaking is allowed to flourish across the country, not excluding in provinces governed by the same party to which my hon. friend from St. Paul's belongs. As far as I and my party are concerned, the fundamental premises of collective bargaining are inviolable.

I should like to comment upon some of the specific aspects of the bill which relate to its objective of creating an environment of fair play in the marketplace. We heard evidence before the committee on trends in food prices last year indicating that in that particular industry, as indeed in many others, such fair play was not currently being provided to consumers. In its survey of retail food stores published in November, 1973, the Food Prices Review Board drew specific attention to a number of practices. I had a look through that report to see to what extent their recommendations were reflected in this bill. For example,

the Food Prices Review Board drew attention to the practice known as double-ticketing. Let me quote from their report, page 7:

> The practice of raising the price of a food product which is on the shelf of a store, and on which the price has already been marked, by restamping or adding another price label, is one to which consumers object strongly. It may well be that it is an accepted business practice to revalue inventories as prices change, but the practice of raising the price of food items in the store by double-ticketing is unacceptable to consumers.

I note that the bill accepts the recommendations of the review board to eliminate the practice of double-ticketing, but I also want to draw to the attention of the House the fact that the bill in no way interferes with—and I emphasize the words—the accepted business practice to revalue inventories as prices change. All that the bill does is to make it an offence, where two prices appear on an item, to sell the item at other than the lower price. But it takes no position on what I regard as the reprehensible policy of very many retail stores, of increasing the price of commodities already in inventory when the price of new shipments is increased. All this bill will do is to make the retail stores a little more efficient at changing labels; it will not solve the problem being faced by the consumer when inventory stock is increased to the price of new shipments.

● (1640)

Secondly, the Food Prices Review Board drew attention to what it refers to as the unavailable supplies of specials. The report states that many stores advertise weekly special prices for specific food products, and that although in some cases these specials are available in sufficient quantity to meet the demand, in many cases they are not. The bill deals in some respects with the problem but it does not really deal with the point emphasized by the board, that even where a store provides a so-called raincheck, some stores may adopt as a matter of policy the practice of not providing sufficient stocks of specials. Instead, they hand out rainchecks for the purpose of drawing customers back to the store on perhaps an unnecessary visit in the hope that when there they will purchase more than they would otherwise have done.

Other aspects of retail food practices which the board found unacceptable are misleading in-store practices like end-aisle displays, red lights over meat counters, hidden cash-register windows, misleading price signs, and so on. As the board said, these practices often confuse and deceive customers and it recommended specific action in each case, which so far as I have been able to make out is not reflected in specific provisions of this bill. Exaggerated price claims, proliferation of size in packaging, strengthening and bolstering of the inspection services of the department are all features of the Food Prices Review Board report which, again, so far as I have been able to make out are not included in the bill as it now stands.

While on the one hand, as I have said, I welcome the bill in a qualified way, I draw to the attention of the House that not even the limited range of practices which the Food Prices Review Board identified has been dealt with in the bill, and I therefore give notice to the minister of our intention to proceed in committee to move amendments to fill in the gaps.

There are other features of this bill that perhaps are worthy of brief comment. I welcome efforts to broaden the provision under which action may be taken against misleading advertising and false marketing information. Here, again, I am of the opinion that these provisions require strengthening. I feel it is hightime the consumer was protected in a stronger way, not merely from deceitful statements in advertising but also from statements which create an impression or a broad representation that turns out not to be the case. I applaud the fact that the bill addresses itself to this problem.

Certain selling practices to which my hon. friend has referred, such as exclusive dealing and tied selling, are covered in the bill, and I welcome their inclusion as a logical and inevitable addition to the range of economic activities covered by the bill. I have some misgivings about that part of the bill dealing with extraterritoriality. As has already been mentioned, the implications of this problem have been brought home to us forcefully in the last couple of weeks in the case of MLW-Worthington Limited. I am not at all sure that the avenue being explored by the government in this bill to deal with the problem is adequate or is the best one, and I hope my colleague, the hon. member for Oshawa-Whitby (Mr. Broadbent), will have something to say on that matter during this debate.

I cannot help but welcome the reference to and provisions to correct what the bill refers to as abuses against intellectual property. That is similar to occasions when the Liberal government steals an NDP program. Out of self-interest, if for no other reason, I think that is a proper focus in the bill.

Certain features to protect small businesses—and I gather this is the principal purpose of their inclusion—such as refusal to deal provisions, consignment selling, exclusive dealing and otherwise, again at least begin to come to grips with the problems we heard much about in the food prices committee. There was a great deal of evidence to the effect that this was an important feature of the relationship between retailers and their wholesale distributors. The Food Prices Review Board in its February 28 review of bread prices had something to say on that matter and I quote from page 14 of their report:

> The independent regional bakeries have found access to retail shelves limited or blocked by integrated or exclusive contractual arrangements between retail chains or groups and major bakeries.

Therefore, out of my interest in the matter of food prices, to say nothing of my concern for fair play in the marketplace, I again welcome the move the government is making in this direction. There is a provision in the bill, on which I do not propose to comment in detail, that deals with protection of athletes under certain conditions. It may be that my colleague, the hon. member for Fraser Valley West (Mr. Rose), will have something to say on that matter.

There are one or two omissions I had hoped the government would deal with. One which has been referred to is the matter of class actions in which my colleague, the hon. member for New Westminster (Mr. Leggatt), has taken particular interest. Another is the vexing problem of what to do about loss leader selling. The minister indicated before the committee during the last session that the

government did not intend to proceed at this time in respect of these matters, I gather because it had not made up its mind what policy to follow in this area. I would make the point that I suspect no blinding rays of inspiration are likely to strike the minister in the coming months and we might just as well deal with them now as later. Certainly in one area, where confectionery and tobacco distributors in eastern Canada have been affected by loss leader techniques of certain wholesale companies, real hardships have been created. I know this group hoped this bill would deal with this problem, as indeed I did too.

So much for a brief rundown of the bill itself. Let me now turn to some other aspects of the over-all problem. First of all, it seems to me that in passing a bill of this kind we are in a sense placing our trust in the effectiveness of the department, and the agencies which report to it, to implement the bill in an aggressive and effective way. I must say that my impression of the department has been that it is suffering from a severe case of tired blood, to put it as charitably as I can.

Let me give some examples. The bill refers to strengthening the powers of the Restrictive Trade Practices Commission, but it is a fact, as has been adduced in the House recently, that this commission is understaffed and that the commission itself is minus most of its members; there have been vacancies for some time which the government has not moved to fill. I could not help but wonder why the government is moving to give more power and authority to that commission without at least providing it with a full complement of members. We give it new responsibilities in this bill, but there is no one there to carry out those responsibilities.

● (1650)

Looking through the report of the Auditor General for the fiscal year ending 1973, I noticed that the funds which were appropriated for the Restrictive Trade Practices Commission, which in that year totalled $248,000, were far from having been spent. While I do not wish to criticize the government for measures of economy, at the same time I cannot help reflect that a commission which began with a modest appropriation of one-quarter of a million dollars and which ended up spending only something like $100,000 is a commission which is not exactly burning out its bearings. I am led to the conclusion that there is a good deal of room for new energy and initiative in that area.

The minister admitted in the House recently that the department has been doing virtually nothing in the way of monitoring price movements. I can think of two examples, beef prices and steel prices. I know that is not central to this bill, but to me it is symptomatic of the lack of aggressiveness and concern by the minister on behalf of the consumers. The increase envisaged in the current estimates which have been tabled in this House for the combines investigation branch and the competition policy section of the minister's department is not reassuringly large compared with the remainder of the department. It would not appear to make any sense, having given the combines investigation branch and the Restrictive Trade Practices Commission new power under this bill, that we should not expect an increase in the way of costs.

[Mr. Grier.]

Again, I do not want to criticize the government for saving the taxpayer's money, but I wonder how seriously the government intends to take the commitments which are implicit in this bill. This bill, and indeed the whole area of consumer affairs, requires an interventionist department and an interventionist minister. Can we reasonably expect this from that department and minister? On the basis of the performance so far, can we be sure that the government and the department are committed to take the muscular role on behalf of consumer which the minister has suggested in this House, and to stand behind the kind of commitment that is contained in the words of this bill?

I hope the minister, whose evasiveness is a byword in Parliament, will alter his performance in the coming weeks. We nead no more thrashing about as on the bread price issue. I refer, as well, to the curious new schedule the minister and the Prime Minister have announced in respect of the Food Prices Review Board. This does not reassure me, nor does the refusal of the government to say anything specific about the need to empower the minister, or his department, or the Food Prices Review Board, or a new prices review board, or any agency, to enforce the roll-back of prices when increases cannot be justified. The minister's refusal to do this leaves a question in my mind concerning whether the government is serious about its commitment.

There is in my party great skepticism concerning competition bills and policies. We worry whether these bills and policies are designed to lull the consumer into the assumption something is being done, while in fact no serious effort is being undertaken by the government to interfere with the traditional right of the business community of Canada to lay down the terms and conditions on which it will do business and to set prices as it sees fit.

At the core of any competition policy that seeks to come to grips with real problems lies the matter of market structure. Some kinds of market structure, such as those we can see in Canada, are the very antithesis of competition as the average person understands the term. There is the domination of an industry by one or a few companies, or the domination of one sector of the economy by a few dominant and related industry leaders. There is a good deal of evidence that this kind of industry domination, this oligopolistic domination, is the norm in the Canadian economy rather than the exception. I concede that the minister readily accepts that this bill in no way tackles that problem. Presumably the so-called phase two of the bill will do so.

However, let us not be under any illusion in this House that passage of this bill, with its useful measures, will in any serious way come to grips with the problem of domination of the economy by a relatively small number of corporate giants and the consequent problems which flow from that domination. Let me mention some aspects of the problem. There is the problem of administered prices which reflect not the cost of production but what the traffic will bear. When we come to the performance of Canadian companies in the past year, we do not have to look very far to see abnormally high profit levels, manipulation of supply, monopsonistic purchasing methods, and excess capacity. There are industry or sector common

fronts vis-à-vis the consumer, as we saw a few weeks ago with the bakeries. And there are those very unfair retailing practices with which this bill does deal.

If we did not have in this economy a prevalent condition of market domination and concentration, we would not have nearly so many instances of unfair treatment in the marketplace as we have today and much of the necessity for the bill would be obviated. It is true that market concentration does provide some economies of scale. That, of course, has been the traditional argument for concentration. However, we must ask ourselves whether the advantages which accrue from such concentration go to the firms, or to the consumer and whether the leverage of domination is being used against, and not for, the consumer.

In many instances the consumer does not enjoy any economies arising from large scale. I recognize that my allegations are broad, but I am sure any member who sat on the committee on food prices last year or who has dealt with the problem of competition over the years will recognize the force of my remarks. After all, what is the incentive to efficiency, low prices and public service, when competition is minimized and you can make your buck anyway? Our over-all policy objective, as we begin the process of establishing a so-called competition policy for Canada, surely must be to preserve the genuine economies of large scale and advantages which accrue from them and translate those into benefits for the public.

● (1700)

I have mentioned evidence of market concentration in Canada, some of which we heard before the food prices committee. I had hoped that committee would have been reconstituted in this session so that in that vitally important sector of the economy we might begin to hear evidence in a detailed and systematic way on the matter of concentration. I regret that my colleagues both in the Liberal and Conservative parties did not see fit to support my motion to recommend to the government that that committee be reconstituted.

The kind of concentration that I am talking about does not always result in criminal, premeditated collusion to which this bill and the Combines Investigation Act address themselves. What happens in so many cases is simply that there exists a tacit understanding that prices will be kept within recognized bounds, rather in the same way as one country manipulates its currency with regard to another. There is no collusion, no obvious premeditated interrelationship, but rather a general, tacit, unspoken but nonetheless effective agreement that competition per se will not be allowed to get out of hand.

We heard in the food prices committee about the so-called supermarket price war of three or four years ago and how the retail chain which initiated that earned the undying resentment of its competitors, what commotion its activities created within the retail food industry, and how grateful all the major supermarkets were when that kind of price competition was brought to an end and stability restored. By and large, it remains true today, and it does not really matter what supermarket you shop in, there is little difference in price and the price is always wrong.

An hon. Member: By gosh, it is.

Mr. Grier: A few years ago a royal commission in western Canada undertook an in-depth study of monopolistic grocery retail trade practices. I refer to the Batten report which concluded that there was indeed a high degree of concentration resulting in excess profits, excess capacity, self-cancelling and costly advertising campaigns and luxurious and expensive supermarkets. The report in fact calculated the cost of this to a family of four as being almost $120 a year. That is a high price to pay for concentration. The report said specifically that Canada Safeway and George Weston Ltd., possessed sufficient power to enable prices to rise above competitive levels. It recommended investigation under the Combines Investigation Act. There have been efforts to discredit the Batten report, but it is interesting to note that a recent ruling by the Alberta Supreme Court has ordered Canada Safeway to reduce its domination of retail grocery markets in Calgary and Edmonton.

In a speech made last year, as reported in the *Financial Post*, an advertising executive said the following when speaking to the Canadian grocery distributors institute meeting in Toronto:

> So what's so bad about industry co-operation? After all, your competitors aren't your enemies but your consumers are.

I suggest that that kind of attitude is engendered and bred by the absence of any vital competition. If we take a look at the instance of concentration in the food industry—and I only give a few examples because I do not have a great deal of time left—we discover, for example, that in the breakfast cereal manufacturing industry the four largest plants account for 90 per cent of factory shipments. Sugar refineries account for 65 per cent of the four largest plants. In food retailing generally the four largest establishments account for 41 per cent of all the sales in Canada. In the slaughtering and meat processing industry, the four largest firms account for 58 per cent of the value of factory shipments. In flour milling, the top four firms account for almost 80 per cent of the value of factory shipments, and so the story goes.

Moving out of the food industry and taking a look at industry generally across Canada, we discover that in the pulp and paper industry the four largest enterprises account for 36 per cent of factory shipments. In newsprint mills, the four largest enterprises account for 44 per cent. In iron and steel mills, they account for 77 per cent. In steel pipe and tube mills—and we will need a lot of steel pipe in this country if we are going to build pipelines—the four largest firms control 78 per cent of factory shipments.

In motor vehicle manufacturing, a classic example, the top three or four firms account for 93 per cent. In cement manufacturing, a group recently in the news, the top four firms account for 77 per cent. In petroleum refineries, the top four companies account for 80 per cent of factory shipments; and among manufacturers of mixed fertilizers, about whom we will hear a good deal in the weeks to come, the top four companies account for 62 per cent of factory shipments.

These are all terribly important and positive sectors of the Canadian economy. As consumers and as builders of the Canadian economy, we will rely upon these manufac-

turers and industries for supplies in certain vital areas in the years to come. I want this House to ask itself to what extent parliament and the government, to say nothing of the ordinary consumer, can be assured of fair treatment by the suppliers.

There has been evidence in recent weeks of certain companies being prosecuted under the Combines Investigation Act for activities in restraint of trade. The fact is that right now the Canadian people are terribly conscious of the fact that they cannot be certain, either at the retail level with which this bill deals, in areas of advertising with which this bill deals, or in the far more fundamental areas of the kind of structure under which this economy operates, that they are getting fair treatment in the marketplace. Until we deal, not merely with the provisions of this bill but with the whole area of the market structure, we will not have dealt with so-called competition policy.

This bill, rightly, deals with certain kinds of retail practices, certain types of wholesale transactions which go some way toward assuring a greater degree of fairness in the consumer marketplace, and this is important. But the bill really addresses itself to the result of lack of real competition and to the symptoms of the problem, rather than to its root causes.

The minister says he will be coming along within a year with the other three-quarters or 90 per cent of his competition policy. I think the minister would do well to reflect that a year is a long time in the life of this parliament, and that it would be in the best interests of all of us, not the least of whom are Canadian consumers, if he would hurry up the process. Let us get that phase two before the committee as soon as possible, particularly if my hon. friend wants to lead a large number of lobby and pressure groups by the hand before the committee, in which case we are going to need some time. That is just another reason why I think we should proceed.

● (1710)

Mr. Atkey: You want to ram it through; you don't want to listen.

Mr. Grier: The people of Canada have been putting up with a lot for a long time. This parliament has listened for a long time to the pros and cons of competition policy. I sometimes wonder what we are going to hear that is new. I am not interested in providing the louder voices with another opportunity to shout against the efforts of the Canadian consumer to get fair play in the Canadian marketplace.

I suggest, notwithstanding the interjection of my learned and hon. friend from St. Paul's that the separation of this stage of the competition policy from the more fundamental area of market concentration, although valid for the purposes of expediting discussion, is an artificial separation and ought not to be regarded as grounds for unduly delaying the introduction of the far more important sections which we yet await.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, the bill introduced by the minister a few days ago and read for the first time in this House on March 11, Bill C-7, concerning the combines and bank acts, is a most important bill and also fairly bulky.

This bill contains several technical amendments and we will have the opportunity of giving it further consideration in committee and in this House on third reading. Our party will have several amendments to propose. This bill is extremely important because it deals with mergers, monopolies, limitations of all types on trade and free competition, and with other matters vital to the Canadian consumer. I read all the amendments contained in this bill and it reminds me of a gardener in the spring who finds that his tree is diseased, that some of its branches are dried out, that there is something wrong with it, and decides to water it when it is the roots that are diseased.

Mr. Speaker, the Minister of Consumer and Corporate Affairs (Mr. Gray) wants to deal with the problem of mergers, combines, by looking after the branches when our economic system is ill.

Mr. Speaker, there are, on the other hand, some interesting points and before going into the crux of the matter, I should like to say to the minister that some amendments are valid, for example, those dealing with misleading advertising, misrepresentations made by salesmen or retailers when selling their products and also misleading or invalid warranties or guarantees when the products are sold to the consumer. Those are the three items which I consider extremely worthwhile.

I think, however, that the more important amendments are those dealing with competition. I do not find in this bill valid amendments which could alter the fact that in Canada monopolies are still in control. The elimination of competition, Mr. Speaker, is extremely detrimental economically to the consumer. For years we have objected to American or foreign companies coming to Canada to develop our natural resources. When we object to those foreign companies developing our natural resources, Mr. Speaker, I think it is not enough to expose them, we must have legislation that would then allow Canadians or Canadian companies to develop, here in Canada, our natural resources. I have absolutely nothing against foreign companies. If they settled in Canada, it is because we did not develop our natural resources. We have been unable to shape a policy to allow us to benefit from our own wealth without resorting to foreign capital.

Mr. Speaker, that is why it was proposed to do away with the elements which made competition impossible until now because the production or distribution of our goods were in the hands of monopolies, we have never been able to suggest positive solutions. We have heard much that is negative until now, but few positive suggestions that would allow the Canadian economy to be developed by Canadians in Canada. Even now, we are studying a bill that advocates a negative solution to that problem which has always existed.

Mr. Speaker, I would like to define the distinction we, Social Crediters, make between private enterprise and monopolies.

The Social Crediters have always been against monopolies, but they are in favour of private enterprise.

Some of our socialist friends take pleasure in confusing "private enterprise" and "monopoly". Free enterprise must

be denounced and means should be taken to make it powerless. We are in favour of private enterprise but not of free enterprise.

Free enterprise enables a group to control the market in a given area. Free enterprise is not private enterprise.

Some companies in Canada are no longer private enterprises because they have no more competition. Those, in our view, are actually monopolies and that is why Social Crediters are opposed to free enterprise, monopoly; they are in favour of private enterprise.

That is why Social Crediters have always wholeheartedly supported private enterprise in Canada and why we denounce free enterprise at times. Free enterprise and private enterprise are two different things.

● (1720)

So, in the proposals, recommendations, suggestions that we make on various bills introduced in the House, we advocate an economic system based on private enterprise and not on free enterprise or, in other words, monopolies.

Through this bill, the minister meant to put teeth in the Combines Investigation Act. He has incorporated into this bill some positive political measures, but such measures without the adoption of positive economic measures at the same time does not solve anything at all. If we pass positive political measures which are not supported by economic measures enabling individuals to compete against monopolies, we will remain in the clutches of monopolies, mergers and combines, which will have to pay fines, but according to the figures quoted today, less than 1 per cent of the profits made by monopolies have been subjected to a fine.

The measures that the minister has included in this bill deal especially with the small businessmen who will be subject to this bill like anybody else, but they will have no effect on the multinational companies.

How can this bill bring about a change? What can bill C-7 do against multinational companies which are now increasing overnight all prices at the same time, invoking the false pretext of the oil and gas shortage? Under such a bill, the minister cannot act against the multinational companies which hold sway over our economy. The only thing he can do is to fine them $2,000 or $5,000, a ridiculous amount for them which is tax deductible.

What shocked me about this bill, Mr. Speaker, is to note that the government is trying to punish and restrain everybody. However, at the same time, banks are given special privileges.

Mr. Speaker, as we have always said, the banks are the basis of the existing monopoly which controls the others. According to its whim, the monopoly of money and credit can create a monopoly of production or destroy it. And when I hear people who strongly denounce monopolies, and rightly so, in such and such a sector of industry, and yet, refrain from attacking the very monopoly which creates all the others, I feel they fall short of the target. They go only after the small fry, overlooking the villain who will go on with his dirty work.

Mr. Speaker, the bill under consideration will enable us to look after the sick while allowing the disease to spread. The hon. member for St. Paul's (Mr. Atkey) referred earlier to a US firm in Montreal which recently sold locomotives to Cuba, something it could not do in the United States because of the American embargo on Cuba. This same firm located in Montreal, imposes on its competitors a 210 day waiting period for the delivery of the parts required to repair Diesel engines and locomotives thus compelling big industrialists who own locomotives with Diesel or other engines, to go to this one company in Montreal which has the parts on hand. This means that this firm has the monopoly of repairs and maintenance, that no one will dare compete with it because its competitors must wait 210 days for the delivery of parts. Yet, even the National Harbours Board, with Diesel engines in need of repair must go to this American firm if it wants quick repair or delivery and pay the price asked.

Mr. Speaker, what is this bill going to change in respect of this American company which exerts a monopoly on parts and delivers them to its competitors when it is good and ready, thereby compelling users of heavy machinery to do business with it.

Mr. Speaker, in the speech he delivered on January 24, 1974, to the County York Law Association of Toronto, the minister said on page 8, and I quote: "Among those practices, there is the refusal to sell, the consignment sale, the exclusive rights, binding sales, market restriction".

Mr. Speaker, I do not see anything in this bill that will prevent that American company in Montreal to restrict the market or to impose exclusive rights. In fact, it presently has the exclusivity of the market, with no competitors or no other company to take its place. There is another thing that struck me in the Royal Commission report: from 1972 to 1973, there have been 188 inquiries, i.e. 100 less than in 1971-72. And of the 3,470 cases that were studied, in only 68 cases a verdict of guilty was brought in. But of those companies found guilty, most have not yet paid their fines.

Let me now quote from an article by a company accountant, published in the *Globe and Mail* issue of Tuesday, March 12, 1974, page 5:

[*English*]

A fine of $150,000 against Ocean Construction would be comparable to a fine of $750 against an individual earning $50,000. The same fine against Canada Cement Lafarge would be comparable to a fine of $130.63 against the same individual.

● (1730)

[*Translation*]

Mr. Speaker, the present Combines Investigation Act is inefficient. Nothing in the wording of this bill proves that we will be able to apply it without going back to the source. In our economic policy, we have not developped any means designed to encourage private enterprise in Canada, to help the individual to compete with large companies, to maintain and control free enterprise. We want to assist private enterprise in Canada, but we want to do it with positive means and not negative legislation so as to enable private enterprise to compete with free enterprise in Canada.

I have here a letter dated November 2, 1973, which appeared in the *National Association of Tobacco*. The second paragraph states and I quote:

Our group is very concerned by our federal government's lack of interest and shortsightedness as regards certain deficiencies of the Combines Act. Ever since its implementation, businessmen throughout Canada have challenged Section 34 of the Act and predict what would happen if no change was brought about. Their predictions have now come true but we are still doing nothing to bring about the necessary changes. The serious dangers anticipated for small business are now reaching their highest point and they will soon have reached the point of no return. Therefore, we ask that this matter be raised in the House during this session and that a solution be found in the next few months.

Mr. Speaker, as I said in this House, on March 1, 1974, we are living in an economic system where production is in the hands of a very small group. At present, economic organizations have absolute control over a given type of production. Me. Speaker, whatever regulations we may pass, as long as there is no competition between producers to enable them to dispose of their own production, without having to go through monopolies of distribution, Mr. Speaker, no anti-combines legislation will be efficient. We keep going around in a circle and we shall never get any results.

This is why, Mr. Speaker, the Social Crediters maintain that we should put into effect a consumer policy thus making production available to consumers. We must put forward a policy designed to finance production so that producers may control it entirely thus escaping the control of any monopoly which may exist between production and consumption.

This is why it is utterly silly and inconsistent to speak of nationalization, government control, socialization, of putting everything in the hands of the government, of public concerns, of multinational corporations or cartels. It does not make any sense at all. Why? Because in an exclusive system of production there are people—and we know some in Quebec and everywhere else in Canada—who lay down the law. They challenge it, they pay fines and do not fear convictions. They are then exclusive agents, masters of both consumers and producers.

Mr. Speaker, with regard to private enterprise, concrete legislation is needed at all costs to bring it to heel. My hon. friends from the NDP do not seem to make any distinction between private enterprise and free enterprise. That is why from time to time they wonder if we are socialists when we expose monopolies, combines, multinational corporations which have exclusive power over a given production.

We use roughly the same terms as they do but we do not want to replace a multinational enterprise by a state enterprise as they want to do because when we create a state enterprise it hides behind bureaucracy and legislation. With the principle I put forward and which we already stated in this House on March 1, 1974, we will allow producers to become independent from multinational corporations, combines and those who now have the economic power.

Mr. Speaker, once again, we do not see anything in this bill. Wider powers are given to those who hold the monopoly over creation of credit. There is no reference to the ten chartered banks in Canada which have the power to create an economic crisis or prosperity in this country tomorrow morning.

[Mr. Rondeau.]

A good friend of mine was telling me recently that he once borrowed $240,000 from the Industrial Development Bank, made all his payments and cleared his debt. He had become even more solvent than he was when he borrowed in the first place. And now he has not yet received approval for a loan of $30,000. The thing has been dragging on for six months. That means that banks are now creating a climate of economic crisis and if tomorrow morning they want to start a crisis in Canada this Bill C-7 will be of no use whatsoever because it does not deal with the control and creation of money.

Small combines, trust companies, those that own billions of dollars in assets are exposed but not those that make billions, that create billions as banks can do.

The greatest monopoly of all is the monopoly of credit, of that money which is reserved exclusively for banks. Six years ago, a U.S. Senate committee of inquiry was instructed to investigate combines and monopolies in the United States. When the chairman of the committee made public the inquiry report, he said: There is only one monopoly in the United States, and that is the monopoly of credit, for it is the one that breeds all the others.

Mr. Speaker, Social Crediters have often denounced this in the House. We want the Bank of Canada, the bank of the people, which is our institution and our financial organization, to be the one authorized to give credit to Canadians when they need it. We do not want the banks to retain this power they now have. Banks should be business institutions that accept deposits and lend the depositors' money, institutions in the money business that have a right to make profits. But banks should not have the monopoly to make this kind of money called "credit money".

Mr. Speaker, perhaps the minister is quite convinced that his bill will make tremendous reforms in our combines system, our monopoly system, but it will affect only the small businesses, not the big ones, for the latter are quite able to dodge the regulations, just like banks will manage to evade the bill.

● (1740)

Mr. Pierre De Bané (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I am proud to take part in this debate as Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Gray), and all the more so because this is one of the most important and progressive pieces of legislation this government has introduced since it has come to power.

Indeed, the purpose of this bill is to maximize human and capital resources, so that the whole Canadian economy and all Canadians, consumers as well as producers, can benefit from it.

Indeed, the policy on competition is one of the basic elements of policy on commerce and because of this, its complexity and its scope, the minister has introduced this bill as a first step in an in-depth revision of the various measures that bear, directly or indirectly, on the whole field of competition.

Hon. members will recall that in 1966, the Liberal government asked the Economic Council of Canada for an

in-depth study on that matter. In 1971, the present Minister of State for Urban Affairs (Mr. Basford) introduced Bill C-256 which gave rise to virulent debates through the country and when the present minister was invested with this portfolio he decided to conduct an in-depth study, step by step, in that field.

Recently I heard the hon. member for St. Paul's (Mr. Atkey) criticize some alleged shortcomings of that bill. I was listening with all the more suspicion because I remembered that the last review of the Combines Investigation Act had been made under the last Progressive Conservative administration in 1960.

And what happened in 1960 when the Progressive Conservative government decided to amend the Combines Investigation Act? I wish to quote an article by Queen's University Professor H. G. Thorburn, in a book entitled *Le système politique du Canada* published by the University of Ottawa in 1970 under the direction of Mr. Louis Sabourin.

In this article, Professor Thorburn declares at page 217, and I quote:

> When the Conservative party gained power in 1957 after 22 years in opposition, it did not feel at all bound by the combines legislation passed under the Liberals. The Conservative government announced that the act was going to be revised, encouraging everyone concerned to make representations. Two years later, the Conservatives introduced their bill in the House of Commons. The bill was aimed at meeting the requirements of the financial world.

And I quote now from page 219:

> Voluminous briefs were submitted by commercial associations representing the interests of large businesses. They included amendment proposals which were obviously aimed at blunting the teeth of the legislation—
>
> Since the government bill was largely a favourable answer to the demands of businessmen, it was normal that consumers, farmers, and workers organizations, which were all dissatisfied with it, appealed against it. However, the legislation was written in such technical terms that several groups that would reasonably be against the bill, considered they did not have the expertise to assert their objections. However, the Canadian Consumer Association, the Canadian Federation of Agriculture... were outrightly opposed, with the support of some economists and political scientists.

On the subject of economists, the professor says, and I quote:

> They were the only group not representing a large sector of the population. On one hand, they possessed unequaled competence and were obviously disinterested. Personnally, they stood to gain nothing in this matter, whatever the outcome, except as average citizens. Economists were therefore unanimous in their opposition to the bill. In all, twenty-eight economists and five political scientists made their opinion known to government. ... They made very serious representations and their analysis was also supported by highly technical demonstrations. Their conclusion, however, was clear and unanimous.
>
> One economist even stated that the amendments were meant to undermine the effectiveness of the steps taken by the Canadian government against combines, since it would become much more difficult to lodge successful legal proceedings.

Mr. Speaker, this is how some economists in 1960 considered the planned revision of the competition policy advocated by the then Conservative government. They unanimously rejected it to say nothing of the Canadian Consumers Association and other groups which I mentioned a while ago.

When the hon. member for St. Paul's (Mr. Atkey) wants to point out some deficiencies, we must listen with much misgivings, since the policy followed by the official opposition when it was in power gave rise to the objections to Canadian consumer groups and all the economists who then submitted briefs to the committee.

I quoted a study by a Queen's University professor, one who is uncommitted, in order to prove how we took a step backward in 1960, on account of a Conservative government.

I was saying at the beginning of my remarks, Mr. Speaker, how proud I am to take part in this debate because the bill introduced by the Minister of Consumer and Corporate Affairs (Mr. Gray), is a very ambitious one, not because of the various phases that will follow but because of its very substance. Indeed, it takes the form of an amendment to the Combines Investigation Act and not that of a replacement. Therefore this part of the government program to modernize the legislation on competition will be easier to administer and will come into force more quickly since it will be based on the process and the machinery related to the Combines Investigation Act.

Since the bill constitutes a set of amendments, the jurisprudence which will accrue from it will of course still be useful, except to the extent that amendments will make some parts obsolete. In other words, the practitioner who will be called upon to make a decision about the enforcement of the legislation will be on rather familiar grounds.

Some people are wondering what makes a bill such as this so important. In that regard, I would like to read a paragraph from page 8 of the 1969 report of the Economic Council of Canada, and I quote:

> It would be wrong, however, to leave the impression that the consequences for efficiency of a relative absence of competitive pressure are invariably an esoteric matter, beyond the capacity of an ordinary intelligent person to discern. As everyday observation will confirm, lack of strong competition in a company's product market increases the risk of sloppiness, poor use of productive resources, and excessive production and distribution costs. An environment is created in which both waste and a comfortable, if not necessarily spectacular, profit margin can persist, undisturbed by clear and urgent signals from the market.
>
> This brings us to a fundamental tenet relating to competition policy. The institution and maintenance of a competition policy such as presently exists in Canada may be taken to reflect a belief that, over the greater part of the economy, competitive marker forces are potentially capable of allocating resources better and more cheaply, with a less cumbersome administrative overhead, than any alternative arrangement such as wholesale public ownership and control, detailed government regulation of enterprise, or self-regulation by large industrial units within a corporate state.

This is why, Mr. Speaker, a competition policy is extremely important since it enables all Canadians to share the wealth of the country and obtain the best products at the lowest price possible.

● (1750)

What are the various points covered by that essential bill? Obviously, as the minister stated earlier, the first is:

(a) A series of prohibitions on specific commercial practices prejudicial to the consumer's interests. Those provisions provide criminal offences or bring desirable amendments to existing prohibitions as follows:

(1) The provisions of the present bill dealing with misleading advertising are altered and made clearer to apply to all kinds of false statements made to the public about products and services rather than only to printed material.

If the bill is passed, as I hope, the general impression of statements as much as their literal meaning will be taken into account.

(2) false or misleading guarantees or warranties are forbidden.

(3) any sale at any price that exceeds the lowest of two or more prices is forbidden in the case of goods with double ticketing.

(4) pyramid sales are forbidden within limitations and referral sales as defined are forbidden,

(5) bait and switch and replacement sales are forbidden,

(6) sales above advertized prices are forbidden,

(7) promotional contests are forbidden subject to certain rules,

(8) the prohibition of resale pricing is strengthened.

And, Mr. Speaker, I only touched on one of the aspects of this bill now before hon. members. I could go through everyone of those points on misleading advertizing. We now know how we are going to be able to get more readily to those who want to go around the market rules, the area of warranty, list all possible cases where to comply with the act warranties will have to be other things than misrepresentations beyond the safeguards of civil law.

Another thing contained in this bill introduced by the Minister of Consumer and Corporate Affairs (Mr. Gray) is that from now on,

(b) Upon a request from the Director of Investigation and Research the Restrictive Trade Practices Commission may

(1) examine cases of refusal to sell and after giving the supplier every opportunity to make his case, order him to supply his customers or recommend tariff changes;

(2) still upon request from the Director of Investigation and Research—

(2) examine cases where consignment sales were used to control the prices of a dealer or set price differentials between competitors and after giving the supplier every opportunity to make his case, order him to cease that practice;

(3) to review cases where exclusiveness, that is to say to demand that a buyer only trades in a few specific products, is practiced by large suppliers in order to substantially limit competition and, after giving suppliers reasonable opportunities of being heard, to issue the necessary order;

The Commission, when requested by the Director of investigations and research, is authorized:

(4) to review cases where tied selling, that is to say the sale of a product tied to the sale of another, are practiced by large suppliers in order to substantially limit competition and, after giving the suppliers reasonable opportunities of being heard, to issue the necessary order.

(5) The Commission is authorized to review cases where the market restriction, that is to say when the supplier, as selling condition, imposes restrictions as regards the market where his customer may carry on his business, is practiced by large suppliers in order to substantially limit competition and, after giving the suppliers reasonable opportunities of being heard, to issue the necessary order.

[Mr. De Bané.]

And finally, the Commission, when requested by the director of investigations, is authorized

(6) to examine cases where foreign judgments, laws or directives from foreign directors are found to be contrary to the public interest and after having afforded people concerned a reasonable opportunity to be heard, to issue orders to forbid their implementation in Canada.

Here is something else, Mr. Speaker, concerning this extremely important bill, namely:

(c) legal prohibitions as to interest associations, mergers and monopolies limiting themselves mainly to articles and staple production and trade, are more far reaching and concern all services and industries that supply services.

As hon. members know, this is a major change that does not concern services but only the supplying or sale of articles. Service provision represents a more and more important part of the Canadian gross national product, and it was only normal for the government to include from now on certain aspects of the service sector in the field that is covered by the legislation. I continue:

(c) ... According to the already well-established jurisprudence, prohibitions under the law do not apply to restrictive trade practices expressly authorized under present federal or provincial legislation.

Of course in some sectors the market is controlled, and it is not our intention either to disturb certain practices that are not meant to be prejudicial to the market system in Canada.

In another field, it is said that:

(d) it is clearly stated that for a restrictive agreement to be considered as contrary to the law because it unduly reduces competition, it is not necessary to prove that its effect would be to remove all or almost all competition.

As we know, the Supreme Court recently interpreted agreements to reduce competition. It forbids only those which would eliminate all competition.

And again:

(e) According to the bill, the following practices become new offences:

(1) a company established in Canada cannot apply guidelines coming from abroad implementing an agreement which is against this legislation;

(2) offer rigging;

(3) unreasonable agreements on participation in amateur and professional sport;

(4) failure to comply with an order of the Restrictive Trade Practices Commission will become in itself an offence in the future.

Another subject covered by this bill is specified in the following clause:

(f) Provisions are included to authorize and facilitate civil prosecutions to recover the loss or damage resulting from a conduct which is against the act, up to the total sum in question, plus the cost of the inquiry and of the prosecution.

This is, in my opinion, a measure that the present government is very courageous to put forward and it will

greatly contribute to the stabilization of the market system in the country.

Here is another important clause:

(g) Clause 32(2) already stipulates that a court cannot hand down a conviction if it is established that an agreement relates only to some particular questions. These questions are complemented by agreements on the size or on the shape of containers, the adoption of the metric system and measures for the protection of the environment.

The bill also includes new proposals providing for the presentation, when the proof is made, of non-confidential official statistics and it indicates how they should be prepared and presented.

Mr. Speaker, I did not deal with all subjects covered in this bill but I think I did mention enough to show hon. members that the legislation introduced by the Minister of Consumer and Corporate Affairs (Mr. Gray) should be supported unanimously by all members who have at heart the promotion and progress of the Canadian economy.

The Acting Speaker (Mr. Boulanger): Order, please. It being six o'clock, this House stands adjourned until tomorrow at two o'clock.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 14, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENTAL AFFAIRS

ANNOUNCEMENT OF SCREENING OF FEDERAL GOVERNMENT PROJECTS

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, beginning April 1, 1974, federal government projects will be screened to ensure that they do the least possible damage to our natural environment. Most of these projects will be cleared with little comment. Others, because of their likely effect on the quality of life in this country, must be examined very carefully indeed.

Federal departments, Crown agencies and private companies with government contracts, grants and loans will have to prepare environmental impact statements. These statements will be screened by a panel of experts in my department. Recommendations for action, that is, for approval, for modification or for denial, will be made to the Minister of the Environment. Final dispositions will, of course, have to be worked out in consultation with other ministers of the Crown.

Essentially, our new environmental assessment and review process is this. The initiator will be responsible for securing, at the earliest possible stage in the planning of a project or other environmentally significant activity, a forecast of likely environmental effects. This statement must use baseline data and procedural guidelines provided by Environment Canada.

If the initiating department, Crown agency or private firm has sufficient expertise it will prepare its own environmental impact study. If not, it will have to obtain this advice from outside sources at its own expense. When completed, the statement will be screened by a panel of experts in Environment Canada. Any element or aspect of the plan which the panel finds unacceptable must be noted and referred to the Minister of the Environment before the project proceeds.

Public disclosure is important. Written assessments made by the panel will, therefore, be published. Public participation is also vital. In cases of broad public interest, the Minister of the Environment, in consultation with the minister of the initiating department, may, therefore, appoint an environmental review board, the membership of which may be drawn from outside the Public Service. This review board will be able to hold public hearings and make recommendations which will be published.

More specifically, the initiator of a new project or activity with possible environmental consequences must:

1. Take environmental considerations into account from the outset;

2. Submit their project to a panel in Environment Canada or a public review board before financial or other commitments are made;

3. Incorporate recommendations made during the course of our screening process into the design, construction and operation of the new project or activity; and

4. Prepare to publish, or otherwise make public, their findings and plans in this regard.

In order to meet local needs, regional panels may also be necessary. They will be struck from time to time and in such places as the need for assessing and reviewing the environmental consequences of particular developments dictates.

This environmental assessment and review process will help to round out the resource management and environmental protection programs already under way in my department. It will be implemented in stages. It will also be put into effect in close consultation with the provinces and with industry.

I hope, in the process, that we can avoid the delays and other pitfalls which a strictly legalistic approach would cause in this country. Our approach, I believe, is the right approach. We will not hold up important developments which are clean from an environmental point of view and, in contrast to the situation which has developed in the United States, we will not bring the environmental assessment process into disrepute. We will not be charged with blocking everything. At the same time, we will make a great deal of information public. We will, I believe, deal effectively and efficiently with certain projects which are bound to be controversial because of their impact on our environment. In some instances, as we all know, these effects can be very serious indeed.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, the other day the minister, in answering questions put to him in the House by my colleague the hon. member for Portage (Mr. Masniuk), said he would be making a statement to clarify government policy on environmental impact today. With respect, Mr. Speaker, if this statement is supposed to be clarification it falls far short of what is needed in this country.

There was a great deal said in the minister's statement about making public the contents of environmental impact studies. But if one looks at the statement of the minister carefully he will find that this policy has been carefully geared to make sure that anything the government does not want the public to know will not be revealed. If you look at the procedure outlined by the minister today you will see it is quite clear that it is not until after a panel of experts of the minister's department have prepared a report based on their consideration of the environmental

impact statement put forward by the proponent that anything will be made public. How are we to know whether the government, for its own purposes, will tell us everything that was in the initial statement? It is quite clear that if this is supposed to be an attempt to enlighten the public about considerations that have to go into the decision-making process before a major project with significant environmental impact is undertaken, it comes very close to being a fraud.

● (1410)

The minister is trying to give the impression that the public is going to be involved, but again it is only after an environmental review board is set up, which is permissive, not mandatory, that there may be public hearings. The fundamental difficulty in the policy the government is following is that it is still determined to pursue a process of secretiveness and of holding unto itself anything it does not want the public to find out about. This, of course, is based on the assumption that the government knows best. If the government knows best there is no need for environmental impact statements and there is no need to have public participation in the decision-making process.

Let me point out what the minister said in his statement. These words appear on page 4 of the statement the minister kindly gave me:

> I hope, in the process, that we can avoid the delays and other pitfalls which a strictly legalistic approach would cause in this country. Our approach, I believe, is the right approach.

I should like to know what the minister means by "our approach". Does he mean the government's approach or does he mean the approach that was taken by the task force set up some time ago by this same minister to report to the government on the policy that ought to be followed with regard to environmental impact? The report of the task force is dated August 30, 1972, and the first policy position the report sets out is as follows:

> The federal government shall offer leadership in the area of environmental impact assessment in respect of significant effects on the environment through the pronouncement and implementation of a policy and procedure to be based ultimately on legislation.

This is the exact thing the minister and the government have rejected. They do not want this to be mandatory; they do not want it set up in legislation. They want to have their own cosy little system of review, which means it does not matter how much in error they may be, or to what extent they are proceeding with something that is their political policy for the moment, the public is not going to get a look at it.

Recommendation no. 7 is as follows:

> The policy shall provide for appropriate public information and participation in hearings and in reviews of statements.

How does this policy provide for that? I say again that I am quoting from the report of the task force set up by this minister, which was five months in the making and was highlighted by consultations with environmental experts of the United Kingdom, Holland, the United States, the other provinces of Canada and other federal departments.

I think I can sum up by quoting again from the front page of this report where it is stated:

> The task force recognizes that there are alternatives to some proposals in this report.

[Mr. Fraser.]

We have had an alternative today. It goes on to state:

> However, consideration of these alternatives may best await the decision on just how strong a stand the federal government takes on environmental impact assessment.

The stand the government has taken on environmental impact assessment is not strong. It is not going to work, it is in defiance of its own report, and is a fraud.

Some hon. Members: Hear, hear!

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should first like to thank the minister for making a copy of his statement available to me before the opening of the House today. Our group welcomes this move by the minister to set up an environmental assessment review process as far as it goes. I agree with the last speaker that it certainly does not go far enough. But the mere fact that for the first time we are to have Crown agencies and federal departments go through the process of an environmental review is good. We have been advocating for years that where any project is carried out by the federal authorities, or by other agencies where there is partial federal authority, environmental impact studies should first be made and those studies should then be fully evaluated before any money is allocated for projects or a start made on projects.

An excellent example in this field is in the James Bay area. There have been several in British Columbia. The Columbia River was one and the Peace River Dam another. I could name a number of projects throughout Canada where environmental studies should have been made and evaluated before the project started. It is too late now. Immense damage has been done that can never be corrected regardless of what we do. Federal departments and Crown corporations will now be forced to make these studies. This is good.

But there are several weaknesses in the statement the minister made today. One is the fact that the Crown agency, or private firm given money to do a job for the government, will prepare its own environmental impact study. Whom is the minister trying to kid? All we need do is go into northern Canada where, under the Department of Indian Affairs and Northern Development we find that certain projects are under way, many of them being carried out by the minister's own department or let out by him to other groups, in respect of which we are not getting the protection in the northern part of Canada we should be getting.

Some hon. Members: Hear, hear!

Mr. Harding: We have complained over the years about this kind of tactic and have urged that action be taken. I urge upon the minister that the very first department he tackle is the Department of Indian Affairs and Northern Development insofar as northern Canada is concerned.

For this reason that part of the statement which says that a private company or government department can carry out its own environmental impact study does not mean too much when one realizes that the minister's own department is the one which will assess the good or bad of the impact study. There is one bright spot. There could be some public input for the first time. The mere fact that

statements by the board will have to be made public and that in respect of some of the larger projects public hearings may be held is, I think, credit insofar as the minister is concerned on this point.

In closing I again want to point out that if the environmental impact studies are really to do the job which I think should be done we must get into the field where we can insist on these impact studies being made in those areas where we have only partial jurisdiction. One is in the field of the Navigable Waters Protection Act. Does this House know that a Crown corporation in the name of a province cannot be touched under that act? It can build any dam it wishes and does not have to come to the federal authorities for any license. It does not have to let the minister know what damage might be done behind the dam that is to be built.

● (1420)

I agree with the hon. member who has just spoken. We have to expand impact studies to cover the whole of Canada in order to really do a job for the people of Canada in the future.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): As usual, Mr. Speaker, this statement is a necessary one, but it comes belatedly, which has been the characteristic of the government administration for many years.

When all our rivers are polluted and when only perfunctory legislation has been created and nearly nothing is being done to rectify a persisting situation, the minister tells us that in the future all projects that may interfere with the environment must be approved by his department. The planning must incorporate any corrections or recommendations made by his department and, lastly, all the findings must be published.

In no way does the minister indicate what penalties will be imposed on those who do not obey these regulations and, even less, how they will be forced to do so. Money will once again be spent, not to rectify an existing situation but only to study and recommend a type of action which nearly never was applied in the past.

The House certainly recalls the nice briefs on pollution in the Great Lakes and in the rivers and water resources of Canada, but they are still polluted. Consider the Ottawa river, for instance, which is certainly not too far away from Parliament to go unnoticed. Pulpwood driving had been forbidden, but last summer tugboats still ran on the river with their shipments of wood. Nothing is being done. Then why make such a statement today when we are powerless to implement previous decisions?

Does the minister simply seek to toss good wishes in the air, or is he really prepared to get down seriously to the job of correcting present problems first?

This statement for the future is appreciated, but I have yet to be convinced of its effectiveness for, as I have said earlier, the minister puts nobody under the obligation of believing his statement, and moreover he sets no time limit for effective implementation.

I must therefore conclude that the minister simply perpetuate a deplorable situation and is absolutely not interested in correcting the problems we are now facing regarding the environment.

* * *

[*English*]

PUBLIC SERVICE

TABLING OF REPORT BY JACOB FINKELMAN ON EMPLOYER-EMPLOYEE RELATIONS

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to table Part I of the report on employer-employee relations in the Public Service of Canada prepared at the request of the government by Mr. Jacob Finkelman, chairman of the Public Service Staff Relations Board. Mr. Finkelman's terms of reference were outlined in the House of Commons on April 17, 1973.

The report is comprised of three parts. Part I of the report, which I am tabling today, is the substantive or main part of the report. Parts II and III will be tabled as soon as they are prepared in final form. Part II is to be a compilation of the recommendations that are set out in Part I and will be, in essence, what might be termed a ready reference document. Part III will be in the form of a draft bill which will simply embody in legislative language those recommendations contained in Part I that deal with the revision of the Public Service Staff Relations Act. The draft bill, of course, like the rest of the report, will be the work of Mr. Finkelman and it should not be regarded as being a government proposal or government bill.

As indicated earlier, it is the government's position that no major amendments will be made to the Public Service Staff Relations Act without a full opportunity being given to the employee representatives to express their views. The employee representatives, of course, will probably appear before the standing committee charged with the consideration of Mr. Finkelman's report. In addition, there shall be full consultation between the government and the employee representatives before the government brings forward any bill making major amendments to the act.

On behalf of the government, Mr. Speaker, and I am sure on behalf of members of the House, I should like to thank Mr. Finkelman for his thorough study of employer-employee relations in the Public Service of Canada. Mr. Finkelman's experience and reputation in this field are evident in the quality of the report he has prepared.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

HOUSE OF COMMONS

HOCKEY GAME BETWEEN MEMBERS AND PRESS GALLERY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roch La Salle (Joliette): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to introduce a motion.

Considering that it was vital for the honour of this House to avoid defeat in last night's hockey game between

hon. members and reporters, considering that the match was of prime importance within the minor hockey tournament organized by the Optimist Club in Hull and finally since the Press Gallery Club obtained an import from Air Canada named Howie Riopelle even under the watchful eye of the minister responsible for amateur sport in Canada, thus compelling hon. members to be satisfied with a tie game, I move, as captain, seconded by the hon. member for Mercier (Mr. Boulanger), coach:

That the minister responsible launch an inquiry into that disloyal tactic and demand a life suspension for coach André Bellemarre of the press team and the player involved.

* * *

[*English*]

TRANSPORT

SHORTAGE OF RAILWAY CARS FOR BRITISH COLUMBIA LUMBER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 to seek consent of the House to move a motion in a case of urgent and pressing necessity resulting from the government's decision to assist Canadian National Railways and the Canadian Pacific Railway to repair some of their antiquated railway cars for the shipment of grain and the resulting refusal on the part of the government to afford similar generosity so far as lumber producing areas are concerned. I move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That this House expresses its regret that the government has taken the course of denying lumber producing areas the same consideration that has been extended to grain producing areas in so far as it is assisting railway companies to renovate and repair boxcars.

Mr. Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

SHORTAGE OF RAILWAY CARS TO MOVE PRODUCTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact the complete breakdown of rail transportation in Canada could cost western producers half a billion dollars in grain sales, and in view of the Minister of Transport's apparent rejection of the National Transportation Act, I move, seconded by the hon. member for Meadow Lake (Mr. Nesdoly):

That this House calls upon the government to place the CPR under immediate trusteeship and to appoint a boxcar allocator to begin placing boxcars in position to bring essential commodities to market.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. La Salle.]

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

* * *

ENERGY

DRILLING OF OIL WELL IN BEAUFORT SEA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek consent of the House to move a motion of urgent and pressing necessity. I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That the conflict between the statement made by the Minister of Indian Affairs and Northern Development on March 7, 1974, that offshore drilling in the Beaufort Sea would not be permitted until 1976, and the announcement today that Imperial Oil has drilled a well in the Beaufort Sea, be referred to the Standing Committee on Indian Affairs and Northern Development for study.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

CONSUMER AFFAIRS

BREAD PRICE INCREASES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, under the provisions of Standing Order 43 I ask consent of the House to move a motion which I hope will commend itself to the House. I move, seconded by the hon. member for Vancouver-Kingsway (Mrs. MacInnis):

● (1430)

That this House instructs the Minister of Consumer and Corporate Affairs to appear at the March 20 meeting of the Food Prices Review Board dealing with bread prices increases to represent the interests of the Canadian consumer.

Mr. Speaker: Is there unanimous consent for the motion proposed by the hon. member?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

SUGGESTED ACTION TO COMPEL RAILWAYS TO MOVE WHEAT IN SUFFICIENT QUANTITY TO MEET EXPORT COMMITMENTS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Transport. Having regard to the fact that prairie grain farmers have lost more than $300 million in wheat sales during the current crop year and that the Canadian Wheat Board has now fallen behind by 35 million bushels in committed sales for 1974 because the railways have failed to meet their transport commitment, and the fact that the government has obviously failed in its attempts to persuade the railways to face their obligations, may I ask the minister if the government is now considering action which would compel the railways to move western grain in sufficient quantities to meet export commitments?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is, of course, a subject which I discussed at length with the prairie ministers yesterday and the day before. As you know, we incited the railways to repair a certain number of cars but I do not think that is going to solve the problem. It is one solution, but I think we should have a more permanent one. I know there is another solution which is now before cabinet and I hope a decision will be taken very soon. I have a very close relationship with Canadian National Railways and I saw this morning that they have decided to build I do not know how many thousands new cars in order to discharge their responsibility. This does not mean that we are going to have the cars tomorrow. This is the problem.

An hon. Member: No, it sure does not!

ALLEGED DELIBERATE SABOTAGING OF GRAIN MOVEMENT BY RAILWAYS TO FORCE CHANGE IN CROWSNEST FREIGHT RATES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I appreciate the fact that the minister agrees that his solution will not necessarily cure the problem.

May I ask the minister in charge of the Wheat Board whether, in light of the charge made by the President of the National Farmers' Union that the railway companies are deliberately sabotaging grain movement to force a change in the Crowsnest freight rates—I happen to agree the charge is true—he is consulting with his colleague, the Minister of Transport, in regard to this serious charge and are discussions taking place with a view to instituting an immediate inquiry into this very serious charge?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, discussions are, of course, going on between myself and my colleague the Minister of Transport about this very important area. The charge is without any real foundation except in terms of the difficult performance over this past period and we are, of course, looking into that matter. The railways themselves set certain targets which they were unable to meet. The challenge to them now is the additional problem, for them to get back to their targets and to co-operate in additional steps to improve performance beyond the original targets in order to make up for the backlog. They know this is the challenge facing them. If they fall short in their efforts to bring about this result we certainly will be taking further steps.

POSSIBILITY OF USING TRUCKS TO MOVE GRAIN FROM INLAND TERMINALS TO PORTS

Mr. Don Mazankowski (Vegreville): Has the minister in charge of the Wheat Board considered the possibility of employing the trucking industry to move grain from inland terminal positions to the ports with a view to speeding up delivery, and is the government considering the possibility of payment of the charges in excess of the statutory freight rates?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we have been looking at virtually every possibility. There are, in fact, a limited number of trucks available for the movement of grain in the large commercial quantities that would be required. A great number of these, almost to the fullest extent possible, are being employed in moving grain from country elevators to terminals so that it can be put into unit trains with quick turnaround. We are looking at other means including the possibility of encouraging farmers to haul grain longer distances in their own trucks and whether or not further compensation in that regard would encourage farmers to do so. The Wheat Board has been looking at that and is concerned that it does not have the power to do so or it might have done so already. We are looking at the question of whether we should step in.

EMBARGO AT PORT OF SAINT JOHN—ACTION TO ASSURE GRAIN MOVEMENT

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the very unusual embargo placed on the port of Saint John last night, would the minister check into the entire matter, particularly to see that grain continues to move, since the fire and the strike, the supposed reasons for the embargo, should not affect the movement of grain?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is something I am looking into. I have been looking at it this morning because the position in Saint John is a very serious one and I hope we are going to solve the problem very soon.

SUGGESTED REIMBURSEMENT OF WHEAT BOARD FOR DEMURRAGE CHARGES INCURRED BECAUSE OF SHIPS HAVING TO WAIT FOR GRAIN AT VANCOUVER

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question on the same subject to the minister in charge of the Wheat Board. In view of the shortage of grain in export positions which is causing a serious build-up of ships in Vancouver—22 are loading and waiting and 18 more will arrive in the next week or ten days—and in view of the fact that the delay of ocean vessels will result in demurrage charges being assessed, will the minister say

whether the government is prepared to reimburse the Canadian Wheat Board for such demurrage charges incurred through no fault of the board or of the western grain producers?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the question of when demurrage charges are payable depends on a number of circumstances. We do not ordinarily attempt to step in and offset a specific problem in this regard in this industry or any other, and it would be a serious question of principle for us to do so.

EMERGENCY ACTION BY RAILWAYS TO OVERCOME BACKLOG IN MOVEMENT OF GRAIN

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a supplementary question for the Minister of Transport further to that asked by the hon. member for Vegreville. In view of the fact that some $600 million in grain exports are in jeopardy and that the railways are 11,000 carloads behind at Vancouver and 7,000 behind at Thunder Bay, can the minister say whether the railways are now taking or have they informed him of any emergency priority action they will be taking in an effort to catch up on this backlog?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, a new idea proposed at the conference I attended yesterday was—it was suggested, I think, by the right hon. member for Prince Albert the other day—to have somebody who is going to supervise all this and see whether the best use is being made of the cars. I propose to suggest to cabinet that we implement as soon as possible some kind of monitoring system so that we are sure that all cars are used to the fullest extent at this moment.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Regina-Lake Centre for a further supplementary, after which the Chair will complete the first round of questioning by recognizing the hon. member for Champlain and then return for supplementaries to the right hon. member for Prince Albert and the hon. member for Assiniboia.

SHORTAGE OF BOXCARS TO MOVE GRAIN—SUGGESTED PLACING OF ENTIRE RAILWAY SYSTEM UNDER PUBLIC OWNERSHIP

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my question is for the Prime Minister. In view of the recurring situation in our transportation system, in view of the statement made by the Minister of Transport last Thursday in which he said that the principle of competition in the National Transportation Act is wrong in Canada and that the government does not have a real transportation policy, to use the minister's words, and in view of the present emergency situation, will the Prime Minister advise whether the government will now adopt and announce a policy of taking the entire national railway system in Canada under public ownership and control—

Some hon. Members: Oh, oh!

[Mr. Benjamin.]

Mr. Benjamin: —so that the principle of the provision of adequate railway services will be the first priority rather than competition and profit?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this seems to be an interesting proposition. Perhaps the hon. member could give me details of his suggestion. Would it include, beyond the railways, the bus systems and other forms of local transportation or would it only apply to the railways? If the hon. member can work it out, perhaps he might want to write to me about it.

* * *

● (1440)

[*Translation*]

AGRICULTURE

POSSIBLE BEEF SHORTAGE—ACTION BY GOVERNMENT

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the Minister of Agriculture.

Since Canadian breeders seem to reject a request by the federal government inviting them to increase their herds of cattle so as to prevent beef shortage and too high an increase in the price of this product, what other measure does the government intend to take to prevent such a ridiculous and stupid eventuality in a country like Canada which has such an enormous potential and cannot enable its citizens to get some good food at a reasonable cost?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is our intention to make sure that the people of Canada have food at reasonable prices and that producers get reasonable prices for their input. We are working on a program that I hope is long-term and also on one that will be short-term to make sure that these people do not have to sell their herds.

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TRANSPORT

SHORTAGE OF BOXCARS TO MOVE GRAIN—REQUEST FOR APPOINTMENT OF CONTROLLER WITH POWER TO DIRECT ALLOCATION BY RAILWAYS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the Minister of Transport was kind enough a few moments ago to refer to a suggestion I had made. For several months I have endeavoured to get the government to bring in legislation to provide for a boxcar controller—I know the House would pass it very quickly—with power to direct the railway companies to make a proper allocation of cars not only for wheat but for all other commodities. Would the minister now do so? The situation is desperate on the prairies and all over the world we are losing contracts because of failure to live up to contractual agreements. I make this appeal to him because I know he wants to do something and he has the knowledge and the power to do it. Will he do it?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I can say at this moment that I will discuss this very soon with my colleagues. I have just come back from the west and I think I can make a report next week. I should like to have the reaction of my colleagues to this concept, which I am inclined to support entirely.

SHORTAGE OF RAILWAY CARS TO MOVE GRAIN AND LUMBER—RETURN OF CANADIAN CARS FROM UNITED STATES—REPAIR OF ROLLING STOCK

Mr. Bill Knight (Assiniboia): Mr. Speaker, may I direct a supplementary question to the Minister of Transport. As there were some 15,500 Canadian railway boxcars on United States rail lines as of February 22 of this year and in view of the shortage of cars for the movement of grain and lumber, will the minister inform the House what action he has taken to get these boxcars back for the movement of Canadian products?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I feel it is a little bit too simple to say that because there are a certain number of American boxcars in Canada.

An hon. Member: How many?

Mr. Marchand (Langelier): I am not sure of the figures, and that is why I would be interested in having a monitoring system so that we can discuss not only suppositions but facts.

Mr. Knight: Mr. Speaker, I put it to the minister that there are half as many American cars in Canada as there are Canadian cars in the United States. As the government has put forward $3.43 million to repair some 2,400 boxcars and as on February 22 there were 7,400 box cars in need of further repair, will the minister inform us if the railways have taken on the obligation of repairing the other 5,000 cars?

Mr. Marchand (Langelier): Mr. Speaker, the problem is to know—and I am not in a position to say—if it is worth while repairing certain cars. I have heard that the CNR alone has just placed a $40 million order for cars and locomotives. Maybe it is preferable to buy brand new cars than to repair cars when it would be too expensive.

INQUIRY AS TO NEW NATIONAL POLICY—REFERENCE OF PROPOSALS TO COMMITTEE

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Transport. The minister mentioned that he has just returned from the west where I understand he had meetings with the four western provinces regarding a transportation policy. May I ask the minister what the general mechanism of this new policy will be, and will these proposals be put forward as soon as possible and referred to the appropriate standing committee?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I mentioned last week that, after a statement is made in the House, it would be only honest for my colleagues to produce a formal paper. Before going further I have to have the approval of cabinet, which I do not have at this time. I hope I will get it so that we may follow the procedure the hon. member has indicated.

SHORT-TERM ACTION TO ENSURE MOVEMENT OF GRAIN BY RAILWAYS

Mr. Jake Epp (Provencher): Mr. Speaker, my question is for the Minister of Transport. As the minister in his statements today said that his proposals were long-term proposals, what short-term proposals is the minister able to put forward today in view of the fact that loaded grain cars are presently standing on sidings for as long as three weeks in the western prairies?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know this. I saw the brief prepared by Mr. Atkinson. I want to check into these alleged facts. I have some people working on this. Maybe they are correct and maybe they are not. Let us not jump to conclusions before the facts are properly in. We have all kinds of shortages with regard to cars in Canada. I met with the premier of British Columbia, Mr. Barrett, in order to solve the problem between the British Columbia Railway and Canadian National and I hope that today we will have the answer. I have no global answer for all these questions. However, I think we are going to solve the problem of rail cars in Canada very shortly.

Mr. Epp: Mr. Speaker, I rise on a question of privilege. The minister questioned whether the statement I made was true. I should like to inform the minister that it is a fact that rail cars have been standing that long on sidings in western Canada.

Mr. Speaker: Order, please. The hon. member for Egmont.

CONTINUITY OF CNR FERRY SERVICE TO PRINCE EDWARD ISLAND IN THE EVENT OF FUTURE LABOUR DISPUTES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Transport. I hope he will find it easy to answer because it is straightforward. It is with respect to the disruptive tie-up of the CNR ferry service to Prince Edward Island last summer during the rail strike. Can the minister report whether arrangements have now been completed with the government of Prince Edward Island guaranteeing continuity of ferry service by the CNR in light of the possibility of any future labour dispute?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I took this matter up with the premier of Prince Edward Island. I also asked for the co-operation of the Minister of Labour because there is the problem, too, of the unions involved. They have acquired rights. We want to know, if we change the system, what is going to happen to these men and if they are ready to co-operate with us in order to be sure that there will be no stoppage in future. All this is in the process of being done. I do not think anybody in the House would like to see the government, or the House, take a decision before the workers are sure their rights will be protected.

Mr. MacDonald (Egmont): As it is now six or seven months since proposals were begun to be put together, can the minister indicate whether there are firm proposals before the union, Canadian National Railways and the two governments involved in order that there can be some effective resolution of this problem before we are faced with another disruptive strike?

Mr. Marchand (Langelier): Mr. Speaker, so far as the union is concerned, I asked my colleague, the Minister of Labour, to see if it is possible to meet with the union and at what level. He is working on this now. He may know the exact situation better than I do.

Mr. MacDonald (Egmont): Mr. Speaker, I wonder whether the Minister of Labour is prepared to indicate if such meetings are in progress and whether there are firm proposals between the unions and other participants?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, officials of my department have been meeting with officials of the appropriate unions in an endeavour to work out some acceptable arrangement to make sure that there will not be a work stoppage in future. That is all I can say at the moment. I believe the talks are still going on.

REASON ADVANCED BY RAILWAYS IN SEEKING FINANCIAL ASSISTANCE TO REPAIR BOXCARS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Transport and is with respect to the boxcars for the repairing of which the government granted the railways some $3 million. Did the railways give as the reason for asking for that help that the cars were not worth repairing, or did they ask for a subsidy to the extent of over $3 million in connection with maintaining the service?

● (1450)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I said in very plain words last week, rightly or wrongly, that there is no doubt that the railways are not interested in moving grain. They move grain because they are compelled by law to do so.

Mr. Diefenbaker: That's true.

Mr. Marchand (Langelier): So they do not make the effort they probably make in regard to other products where they make money. That is why we have to make this contribution. I think that is the truth.

* * *

ENERGY

REASON IMPERIAL OIL ALLOWED TO DRILL FOR OIL AND GAS IN BEAUFORT SEA BEFORE COMPLETION OF ENVIRONMENTAL STUDIES

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development related to the recent announcement that Imperial Oil has found oil and gas in the Beaufort Sea. In view of the minister's oft-stated concern for the people of the north and desire to protect their environment, and in view of the cabinet's decision to allow drilling in the Beaufort Sea only after completion of the necessary environmental studies, will the minister explain why Imperial Oil was allowed to drill in the Beaufort Sea before the environmental studies had been completed?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, my English may not be very good, but my statement the other day applied to drilling offshore. This last drilling was done from an island, so it is not offshore drilling.

Mr. Firth: An artificial island.

Mr. Chrétien: It is not offshore, as far I know. It was an island. As to the second part of the question, before a permit was given to the company to drill at this site, there was consultation with the Eskimos of Tuktoyaktuk the hunters' association, and so on. They have approved the granting of the permit and I am sure the people of the north are very happy that once more we have been proven right and there are great resources in the north.

Some hon. Members: Hear, hear!

Mr. Firth: Mr. Speaker, may I point out that it was a man-made island, an artificial island.

Mr. Chrétien: It was an island.

Mr. Firth: Can the minister tell us whether the type of drilling being carried out on this man-made island has been approved by the Department of the Environment and by environmentalists like Dr. Pimlott?

Mr. Chrétien: There was interdepartmental consultation among all the departments involved. Dr. Pimlott was not consulted because he is not working for the government—he is a self-appointed expert. As far as I am concerned we have the approval of the Department of the Environment, we have the approval of the territorial government, we have the approval of the people of Tuktoyaktuk, and I am sure the people of Canada are happy we are finding a lot of oil there.

Some hon. Members: Hear, hear!

Mr. Erik Nielsen (Yukon): I have a supplementary question intended to clarify government policy, whether or not it is in keeping with the minister's statement that he will not allow drilling until after a two-year study has been completed in offshore areas of the Beaufort Sea. Is it government policy to continue to permit the creation of artificial islands made by dumping gravel into the Beaufort sea for the purpose of drilling activities or will such activities as these cease, in order to permit the completion of the two-year study of which the minister has spoken?

Mr. Chrétien: I make a distinction between offshore drilling from a platform or from a ship and drilling from man-made islands which are a very safe device approved by all the experts. If companies come forward with other plans which are as safe as this one, wherein we have been proven right—they have found oil and no disasters have

occurred—we will grant a permit as long as the plans are all right. But as far as drilling from ships or platforms is concerned we shall not grant any drilling permits before 1976.

Mr. Nielsen: Thank you.

Miss Flora MacDonald (Kingston and the Islands): Would the minister be willing to table the environmental studies which he says prove that these artificial islands are so safe?

Mr. Chrétien: I will inquire whether there are specific documents on that aspect. I am saying there was inter-departmental consultation and that there was approval by everyone. I would rather have the confidence of the people of Tuktoyaktuk than of the hon. member for Kingston and the Islands.

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[*Translation*]

TRANSPORT

SHORTAGE OF RAILWAY CARS—FINANCIAL ASSISTANCE BY GOVERNMENT

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a supplementary question to the Minister of Transport.

Since there is a shortage of cars and also locomotives apparently, could the minister say whether he considers using his influence with the Treasury Board so that an amount of money be lent to the CN at an interest rate not exceeding administrative costs in order that this company may take delivery of the order which had been destined to Cuba?

Mr. Speaker: The hon. member might perhaps repeat his question. I have the feeling that the minister did not hear it.

Mr. Godin: Mr. Speaker, I will repeat it word for word. Since there is a shortage of cars and also locomotives apparently, could the minister say whether he considers using his influence with the Treasury Board so that an amount of money be lent to the CN at an interest rate not exceeding administrative costs in order that this company may take delivery of the order which had been destined to Cuba?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I referred a while ago to a CN ruling. In my opinion, the first responsibility regarding the construction of railway locomotives and cars falls on the railway companies, not on the government. Then I reported that the CN had decided to spend $42 million. We shall let them spend it and if afterwards there are other problems, we shall see.

[*English*]

GOVERNMENT ADMINISTRATION

REQUEST FOR ROYAL COMMISSION INTO INCREASING COST AND EFFECT IN FEEDING INFLATION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the President of the Treasury Board. Will the President of the Treasury Board consider arranging for a royal commission of inquiry into the large and growing cost of government administration and the effect that such expenditures have in feeding inflation?

Hon. C. M. Drury (President of the Treasury Board): I think the House is well aware that some years ago there was an inquiry by a royal commission into government organization. I would be prepared to consider whether such an initiative should be repeated, either now or in the future.

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PENITENTIARIES

POLICY RESPECTING PAROLE AND TEMPORARY PASSES IN LIGHT OF MURDER BY INMATE WHILE OUT OF INSTITUTION—REQUEST FOR INQUIRY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to address a question to the Solicitor General. I put a question to him last week in reference to a man by the name of Booth. My question today refers to a man by the name of Kully who was allowed out on temporary passes. During the period of his incarceration, having been convicted of raping and killing a five-year-old girl in 1966, he had received no psychiatric treatment. While he was out of the institution he committed a second murder for which a judge has now sentenced him to 20 years imprisonment, saying that no parole or temporary pass can be given. Can the Solicitor General tell us whether this policy is to be accepted by the government and by the Parole Board?

Hon. Warren Allmand (Solicitor General): Last year, when Mr. Kully was away from the institution and committed the offence for which he has now been found guilty, he was not on unescorted temporary absence; he was with an escort.

Some hon. Members: Oh, oh!

Mr. Allmand: He escaped from the escort. I might add that he has not been sentenced to 20 years. He has been given a life sentence but in accordance with the new law we passed in December the judge has stipulated he will not be eligible for parole for at least 20 years.

Mr. Woolliams: Thank you very much. I should like to put one more question. Since it is very difficult to obtain information about cases like this—there are several similar cases I could list though I will not take the time in which to do so this afternoon—will the minister tell us whether he now agrees with what the Prime Minister said last session and call for a judicial inquiry into the whole mess which has arisen in connection with these convicted

people, particularly since there seem to be abuses which are destroying the parole system?

● (1500)

Mr. Allmand: Mr. Speaker, I do not think that is correct. I have always given full information on any case I was asked about, and I will be pleased to continue to give full information. Furthermore, the parole and temporary absence system is not a complete mess. There has been a very low rate of failures, approximately 2 per cent, and we are trying to improve that still further so there will be no failures, if that is at all possible.

Mr. Woolliams: A further supplementary question.

Mr. Speaker: Order. May I seek the co-operation of hon. members at this point. I see at least 25 members seeking to ask questions or supplementaries and there are only eight or nine minutes left, so I hope there will be not too many supplementaries. When 25 to 30 members are rising with only eight minutes before the end of the question period, I am sure the House will realize that some will have to be left aside. The Chair will recognize the hon. member for Calgary North on a supplementary.

Mr. Woolliams: Mr. Speaker, I will make my supplementary brief. Will the minister tell the House and the country how many people who have been convicted of crime and murder are at the present time on temporary absence or out on parole and have not come back or have not been found by the RCMP? How many are there? Give us the information.

Mr. Allmand: Mr. Speaker, it is rather difficult to understand the hon. member's question. I do not know whether he is asking about murderers or about persons convicted of all offences. If he is asking about persons convicted of all offences and he wants to know how many have been let out on parole or on temporary absence and have not returned, then I will have to get the figures for him and am quite willing to do so.

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COMBINES

CANADA CEMENT LAFARGE—REASON FOR FAILURE TO LAY CHARGES FOR PRICE FIXING IN 1973—REQUEST FOR INVESTIGATION OF B.C. CEMENT PRICES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the fact that Canada Cement Lafarge has been involved now in three separate incidents and charges under the Combines Investigation Act arising in different periods of time, and in view of the fact the minister was asked in June, 1973, by the hon. member for Selkirk to inquire into the activities of three cement companies, Canada Cement Lafarge being one of them, in fixing prices at $28.72 per ton of cement, would the minister advise the House why no charges were laid in that particular case?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am pleased that the hon. member has confirmed that as a result of the work of the combines branch action has been taken in these areas. Under the act the director of the combines branch is obliged by law to undertake an inquiry whenever he has reason to believe that an offence may have been committed. He is aware of the situation and I am sure he is carrying out his responsibilities. But under the express provisions of the act it is impossible to comment on whether or not an inquiry is being carried on until the matter is completed either by a statement of the director or the taking of legal action.

[Mr. Woolliams.]

Mr. Leggatt: Mr. Speaker, I have a supplementary question for the minister. In view of the recent conviction in Vancouver of the seven major cement suppliers, Canada Cement Lafarge being one of them, and in view of the fact that those charges only cover a period to December 31, 1971, would the minister now advise the House whether an inquiry is in fact going on into that particular incident to determine whether the price of cement in the province of British Columbia is now being fixed, as it was prior to December, 1971?

Mr. Gray: Mr. Speaker, it is my understanding that the act itself creates a policy that is followed not only by myself but was followed by previous ministers in this portfolio, not to confirm or deny the existence of an inquiry until the matter has been determined by the statement of the director or by action in court. However, I would be happy to see what further information I can properly provide.

Mr. Speaker: The Chair will recognize the hon. member for Burnaby-Richmond-Delta on a supplementary question and then the hon. member for Trinity.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is directed to the same minister. In view of the fact that Lafarge and Ocean Cement of British Columbia have made two price increases since January of this year, both of which were released on the same date and both of which were in the same amount, would the minister consider holding a public inquiry into the cement industry in British Columbia in view of the connection of former Liberals with one of the companies that is presently fixing prices?

Mr. Gray: Mr. Speaker, the provisions of the Combines Investigation Act are that any inquiry that is carried on must be on a confidential basis. I would be happy to consider this matter with my colleague the Minister of Justice.

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TRADE

BAUXITE—MEETING WITH PRIME MINISTER OF JAMAICA—EFFECT ON CANADA OF POSSIBLE PRICE INCREASE

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Prime Minister. Can the Prime Minister state in general terms the outcome of his meeting yesterday with Prime Minister Manley of Jamaica regarding increased prices of bauxite from that country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the meeting was the day before yesterday. I had an evening meeting with the Prime Minister and he explained to me that he was meeting later this week with the presidents of the various aluminum companies operating in Jamaica. He put to me various types of proposals which he would be putting to them. I would not want to betray his confidence, but I am sure they will become publicly known as soon as he puts them to the companies.

Mr. Hellyer: Would the Prime Minister or perhaps the Minister of Consumer and Corporate Affairs say whether the government has undertaken any studies to determine the effect both on Canadian prices and on Canadian export markets of the various proposals being put forward by the Jamaican government?

Mr. Trudeau: Not to my knowledge, Mr. Speaker. The hon. member realizes that the developments are just a few days old. The meeting in Conakry was a few days ago. There was an earlier meeting when the bauxite producing countries got together, but they are still at the initial stages and I think it would be impossible to calculate the effects of what they are going to do until they say what they are going to do and agree among themselves.

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THE CANADIAN ECONOMY

INFLATION—EFFECT OF AMENDMENTS TO COMBINES INVESTIGATION ACT

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is directed to the Prime Minister and relates to the response of the Prime Minister yesterday during the question period to an inquiry about legislation dealing with inflation. In view of his claim that the amendments to the Combines Investigation Act now before the House represent the initial thrust of the government's anti-inflation program announced in the throne speech, could the Prime Minister point out what sections of that bill have anything at all to do with the current cost of living increases facing Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not, I believe, use the words "initial thrust". I said that this was part of the total thrust of the government. I would be very happy as the debate progresses to underline the parts of *Hansard* that the hon. member should read, and if he cannot understand them I will have someone explain them to him.

Mr. Speaker: Order. The Chair will recognize the hon. member for a supplementary and then the hon. member for Annapolis Valley.

Mr. Atkey: If the Prime Minister had remained in the House to listen to my speech yesterday instead of rushing out after the abysmal effort of his minister—

Mr. Speaker: Order, please. May we have order, please. I hope we are not going to import into the question period the debate that is to take place later. It seems to me that would be quite out of order, but the hon. member may ask a supplementary.

Mr. Atkey: May I simply ask, Mr. Speaker, what aspects of that bill are going to help keep down prices within the immediate future? I also wonder whether the Prime Minister is taking into account the rather large increases in public expenditure which will result when the bill sets up the new bureaucracy in the Restrictive Trade Practices Commission.

Mr. Speaker: Order, please. The hon. member for Annapolis Valley.

Mr. Nowlan: Mr. Speaker, I think the Prime Minister is rising to answer that very interesting question.

Mr. Speaker: I indicated a moment ago that the question was not in order and that is why I will not allow the right hon. gentleman to reply to it. The hon. member for Annapolis Valley.

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GOVERNMENT ADMINISTRATION

ALLEGED CONFLICT OF INTEREST RESULTING FROM EMPLOYMENT OF INTERTASK—POSSIBLE DISPLACEMENT OF INFORMATION CANADA

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I will put a question that is, I hope, in order to the Prime Minister in a spirit of conciliation. I wonder whether the Prime Minister would tell the House, in view of the conflict of interest guidelines that he tabled in the House some time ago, whether he can reconcile those guidelines with the employment of Intertask, which not only makes press arrangements for the government but one of the principal officers of the company reports on affairs of the government? Can the Prime Minister reconcile the tabling of the conflict of interest guidelines with employment by the government of Intertask?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I see no conflict of interest between the government and the people in Intertask. If the hon. member would ask a supplementary perhaps by way of additional explanation, I will attempt to answer him.

● (1510)

Mr. Nowlan: Mr. Speaker, I have a short supplementary question which is not quite what the Prime Minister suggested. In view of the employment of Intertask at the federal-provincial conference last year, is Intertask going to be substituted for Information Canada or will Information Canada have any purpose left in the plans of the government?

Mr. Trudeau: Mr. Speaker, I do not think the functions are the same but, even if they were, I do not see the conflict of interest that seems to be on the hon. member's mind. Would he explain that?

Oral Questions

TRANSPORT

REPORT ON PUBLIC TRANSPORTATION IN SOUTHWESTERN ONTARIO—AVAILABILITY FOR DISTRIBUTION TO MUNICIPALITIES

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Transport, and I apologize to him if it was asked in my absence. In light of the minister's commitment that the CTC report on public transportation in southwestern Ontario will be discussed at the next Ontario tri-level conference, has the minister seen fit to make copies of the report available to the municipal councils of the area and provincial members of the legislature so that they will be in a position to make a coherent response to that report?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as the hon. gentleman knows, the first two volumes of that report were tabled in the House last week, so it is available. The third volume has not yet been tabled becaused I asked the CTC to do some more work on it. I expect this third volume shortly, perhaps in a couple of weeks.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, perhaps the minister did not hear my question properly. My question was whether or not the minister had made the report available to municipal councils involved. In light of the fact that his office has refused to allow it to be distributed, or to supply sufficient copies for distribution to municipal councils in my area, is the minister willing to see that the supply is sufficient so that officials interested can get copies or that copies can be supplied to them?

Mr. Marchand (Langelier): Mr. Speaker, maybe I am wrong and I will have to check that, but I understood that once it is tabled in the House it becomes a public document and it would be normal to send the document—

An hon. Member: That hasn't been done.

Mr. Marchand (Langelier): If it has not been done it is going to be done immediately.

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GOVERNMENT ADMINISTRATION

ALLEGED CONFLICT OF INTEREST IN APPOINTMENT OF PAUL WHITE AS EXECUTIVE ASSISTANT TO MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—GOVERNMENT POLICY

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is supplementary to the question of the hon. member for Annapolis Valley, and I direct it to the Minister of Indian Affairs and Northern Development. It has to do with the guidelines in respect of conflict of interest tabled by the Prime Minister. Since his newly appointed special assistant, Mr. Paul White, was elected to and accepted a directorship in the Yukon Liberal Association last month, is it to be the policy of the government to permit executive and staff assistants to accept active participation at the official level in the office structure of the Liberal party across the country?

[Mr. Trudeau.]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not know if there is a conflict of interest but I will check.

An hon. Member: You wouldn't know.

Mr. Chrétien: He is a well-known Liberal and he is proud of it, just like I am.

Some hon. Members: Hear, hear!

An hon. Member: Explain.

Mr. Chrétien: If you are bothered about it I will ask him to resign as a director of the Liberal Association, but I will keep him on my staff because he is a good person from the Yukon and he is doing a damn good job.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Yukon on a supplementary question and then the hon. member for Winnipeg North Centre and the Leader of the Opposition, after which I will call orders of the day.

Mr. Nielsen: Mr. Speaker, I certainly do not quarrel with the appointment. That is the last thing I would want to do, and the minister knows that. What I am trying to do is establish government policy. If it is going to be government policy to permit executive and staff assistants to hold such official positions within the Liberal organization, will the government be extending that policy to include other civil servants or quasi civil servants?

Mr. Chrétien: Mr. Speaker, I have not discussed that with Mr. Paul White, but I will do so. He was a director of the Liberal Association before we appointed him and he was re-elected. He is a well-known respected citizen of the Yukon. Anyway, he would be very willing to withdraw from the Liberal Association if necessary—

An hon. Member: I don't blame him.

Some hon. Members: Hear, hear!

An hon. Member: You can't blame him for that; more power to him.

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PUBLIC BUILDINGS

WINNIPEG POST OFFICE—CAUSE OF COLLAPSE OF LARGE BLOCK OF CEMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of Public Works. In view of the fact that about ten o'clock last night a section of the Winnipeg general post office, a concrete portion measuring about 30 feet by 60 feet, fell to the street—

An hon. Member: Was it the coat of arms?

Mr. Knowles (Winnipeg North Centre): —will the minister arrange for an immediate investigation into this accident and take steps that will assure the people of Winnipeg that there will not be a repetition?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, my information is that a portion of the overhanging roof above the public entrance to the post office in Winnipeg fell during the night. Fortunately, no one was injured. Our consultants are at the present time searching for the cause of the accident, and hopefully will find a solution.

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FINANCE

FLOAT OF CANADIAN DOLLAR—POSSIBLE CHANGE IN GOVERNMENT POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance in respect of policy regarding the Canadian dollar, particularly in respect of the clean float policy of the government in the past. I should like to ask whether this float is still what you might say cleaner than clean, or does the expenditure of some $300 million odd in recent months in respect of foreign exchange operations indicate that there has been some change in policy and that the float has become a little dirty?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, there has been no change in policy. The Bank of Canada intervenes on behalf of the exchange fund only to maintain an orderly market. Sometimes that involves purchase and sometimes sale. If the hon. gentleman will look to the year 1973 he will see that the bank intervened on the other side.

Mr. Speaker: Order, please. I note that several hon. members are seeking to ask either supplementary questions on this subject or additional questions. We have already gone five minutes beyond the question period. I will try to give priority tomorrow to those who have tried to ask questions today, including the hon. member for Hamilton Mountain, the hon. member for Gaspé and others.

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PARLIAMENT HILL

POSSIBLE PERFORMANCE OF WEDDING CEREMONY BEFORE CENTENNIAL FLAME—INQUIRY AS TO PERMISSION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I hesitate to rise on a question of privilege, but I wonder whether you would allow me to ask my question as it is of some importance and relates to an event that is to take place on Parliament Hill tomorrow. Apparently a wedding is scheduled to take place at 2.30 on Friday in front of the centennial flame on Parliament Hill to draw attention to religious discrimination in Canada. The marriage will be performed by a minister of the Church of Scientology. My question is directed to the Minister of Public Works. Will he inform the House whether permission was granted to allow this mock wedding in violation of our marriage laws which require that only licenced clergy or officials should perform such a ceremony?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I was not invited to the wedding, but I will inquire.

Some hon. Members: Oh, oh!

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, my question has a marriage connection. How are the two co-house leaders of the House coming along with plans for business for the next few days?

Mr. MacEachen: Mr. Speaker, today we will continue—

Mr. Wagner: "We"!

Some hon. Members: Hear, hear!

Mr. MacEachen: We will continue with the competition bill, and tomorrow, as my hon. friend knows, is an opposition day. Monday I hope to deal with the bill in the name of the Minister of Indian Affairs and Northern Development (Mr. Chrétien), Bill C-9. On Tuesday, Thursday and Friday of next week we will call opposition days, as well as on Monday and Tuesday of the following week. In order to satisfy the requirement under the rules we must call those opposition days. If my hon. friend will tell us the business he wants to call on those five days we would be grateful for his co-operation.

Mr. Nielsen: Mr. Speaker, I, too, have a question in respect of the business of the House. I did not hear the President of the Privy Council (Mr. MacEachen) say that Bill C-12 would be called on Monday along with the bill in the name of the Minister of Indian Affairs and Northern Development (Mr. Chrétien). Is that not the case, to have the two bills on the one day?

Mr. MacEachen: Mr. Speaker, I would be happy to add that. That is the amendment to the British North America Act.

Mr. Nielsen: Yes.

● (1520)

Mr. Whelan: I rise on a point of privilege, Mr. Speaker. It has just been brought to my attention that it is reported in the Ottawa *Citizen* that I said we need a 40 cents per pound increase in the price of beef. I said no such thing. We do not need this kind of increase in beef prices to make the industry a healthy one.

Competition Bill

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, ADMINISTRATION AND OFFENCES

The House resumed, from Wednesday, March 13, consideration of the motion of Mr. Gray that Bill C-7, to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Paul Hellyer (Trinity): Mr. Speaker, if this bill had been introduced 30 or 40 years ago it would have been considered quite radical. Today, as a reminder of just how far out of date in its thinking the government actually is, it represents, in so far as it is intended to be economic reform, a myopic and dated approach. As the hon. member for St. Paul's (Mr. Atkey) indicated, we approach it with mixed feelings. Of course, there are some provisions that are welcome. Some of the provisions to strengthen consumer protection and to prohibit bait, switch and pyramid selling are steps in the right direction.

The small businessmen of Canada are delighted to see the wings of their giant suppliers gently clipped. Heaven knows the small businessmen have suffered much, both in the hands of the government and the giant enterprises. Any relief for them can be greeted with enthusiasm and appreciation. We also applaud the move to require, by law firms operating in Canada to operate in the interests of this country and not under the yoke of extra-territorial restraint. But, and this is the nub of the argument, the suggestion that this bill will guarantee for Canadian consumers the benefits of genuine price, quality and service competition is a cruel hoax. It is misleading in the most blatant sense, and if uttered in the private sector after passage of this bill would be an indictable offence.

This is exactly what the Minister of Consumer and Corporate Affairs (Mr. Gray) suggests. Yesterday in his opening remarks at page 480 of *Hansard* he said:

> This bill reflects the view that all Canadians can benefit from having a marketplace subject to the stimulus and the pressures of the forces of competition.

Well, the minister will be lucky if he does not wind up in jail for making a suggestion like that. The government's position is based on the view of many orthodox economists that a more aggressive competition policy, coupled with a responsible combination of monetary and fiscal policies—a restraint, incidentally which the government has rejected in its unrestrained expenditures—will, in itself, be the best solution to the double disaster of high unemployment and high inflation. This approach, in my opinion, is very naïve and neglects to take into account the structural changes in the real world of economics. The theory of genuine competition in the marketplace is well known, but is it feasible? It implies the dismantling of some of the greatest trade unions that have developed in the history of the world. It implies a rejection of the whole theory basically of trade unionism. It implies that there is genuine price competition in big industry and that somehow

[Mr. Whelan.]

the great monopolies and oligopolies of our economic system can be broken up in such a fashion that genuine market competition in so far as price, service and quality is concerned would take place.

Is the prospect of either one or both of these developments realistic in the present context? I do not think so. I do not even think, under the circumstances and taking into account the real benefits available for the Canadian people, that either would be desirable. Could Canada support enough steel companies, for example, to have real, basic cut-throat price competition? How many would be required—10 or 15? Could Canada support 10 or 15 steel companies or is something in the order 3, 4 or 5 the limit of an economy our size. Could we support unrestrained competition among air carriers? Would we really want to? Would we want to subject them to the kind of cut-throat competition which might under some circumstances cause them to perhaps not maintain the standards of service and safety the Canadian people would expect of air carriers? Could Ottawa support sufficient numbers of ready-mix concrete suppliers, for example, to ensure genuine price competition. There is inevitably a trade-off between competition and the economies of scale.

With some notable exceptions, such as hockey, the Canadian economy has been moving in the direction of smaller numbers of larger units. The question is, does this bill do anything to change the situation in a fundamental way? The answer I think is an unequivocal no. Except for the employment of some additional dozens or hundreds of bureaucrats, and the additional work they will generate for the legal and accounting professions in the private sector, the effect on unemployment and inflation will be negligible.

First of all, and probably most significant in economic terms, labour is not included. In fact it is specifically exempted. This thinking goes back to the days of Mackenzie King when he was Minister of Labour. In those days, as hon. gentlemen know and recall, the situation was different. At that time the economy was operated in such a way that from time to time there was a surplus of labour and there was not an opportunity for meaningful work for people who wanted to be members of the working force. The working man was downtrodden relative to the rest of society. He was opposed by the establishment, the judges and the politicians. Basically everyone was against him. So, under the circumstances at that time it was logical—as a matter of fact in my opinion it was just and inevitable—that trade unions would be exempt from the provisions of the laws in so far as they relate to combines and restrictive practices.

But, that was decades ago. The situation has changed enormously since that time. The world in which we live is not the same world as that of the late Right Hon. Mackenzie King. It is not the same world as the world of the early 1900's, the depression days, and the early post-war days. The situation has changed dramatically, in many respects for the better. Today our mastery of demand management and employment techniques has made it possible for us almost—I underline the word "almost"—to provide meaningful employment for those who want to work at any one time.

Today more than half Canada's gross national product is taken up in wages and salaries. It is true that not all labour is unionized, but we have developed big, powerful unions in the course of the last few decades. This was a natural evolution from the conditions in which we found ourselves in the 1920's and the 1930's. Nothing else could have happened based on that historical set of circumstances. So today you have giants of the labour field as well as giants on the industrial side. The big unions have the power to achieve in the marketplace industrial settlements, often based on the productivity of their particular union, and these set the base, these provide what is now known as wage leadership. The most powerful unions, operating usually with the most powerful companies, can and do effect settlements which are two or three times the average increase in productivity per person.

● (1530)

Now I am speaking of what is happening at the moment. These settlements set the pace for the rest of our economy. Everyone wants to keep up, everyone tries to keep up, everyone thinks they are entitled to a similar share when wage negotiations take place. Not only do all members of the labour force, including those who are non unionized, want the same kind of wage increases but in fact in order to maintain their comparable position they must obtain them. If they do not obtain comparable wage increases, then their relative position will deteriorate proportionately. The impact on prices is enormous. It is axiomatic that wages rising two or three times faster than productivity must be reflected in prices. Although it is futile to get into the argument as to whether rising wages cause rising prices or rising prices cause rising wages, it really does not matter. It is a chicken and egg proposition and you can argue about which comes first for decades. The important point to remember is that the two must be taken in context, that they are related, that you have to cope with both at the same time rather than trying to ascribe responsibility or blame to one or the other. The relationship between wages and prices cannot be ignored.

I should like to cite very briefly something of the British experience. In an excellent book, that I recommend to any hon. member who is interested in the subject of inflation and possible methods of bringing it under control, called "The New Inflation" by the Right Hon. Aubrey Jones, a book well worth reading, Mr. Jones has some very interesting statistical information which is worth looking at. First of all, he shows what has happened in so far as labour's share of the national income is concerned and he shows that, going back as far as 1855, for example, labour's share was about 53 per cent of the national income in Great Britain. This fell in 1870 to about 45 per cent. But in the succeeding years it has increased until it is now more than 70 per cent of the total. Labour's share of the national income has been rising. At the same time, labour unit costs have been rising, and this inevitably has played an important part in the establishment of prices. There is an index in the book which I cannot find at the moment. Perhaps my colleague could look it up and I will return to it.

The important part of the graph is that, first of all, the unit cost of labour has increased dramatically over an extended period. But from our standpoint perhaps the lesson to be drawn is that the two graphs of labour unit costs and the consumer price index virtually parallel each other throughout the entire period. They are almost identical. One lies almost on the other. I tried to find comparable figures for Canada but was unable to lay my hands on them this morning. However, it is interesting to note the relationship between wages and prices in this country. In my book, "Agenda", I propose a formula. All other things being equal, which of course they never are exactly, I suggest that P equals W minus Q. This means that the rate of change in our consumer price index is equal to the rate of change in wages in money terms, minus the rate of change in productivity in real terms.

It might interest you to know that in the ten year period from 1963 to 1972 the average annual percentage increase in wages and earnings in Canada was 6.5 per cent, the average annual percentage increase in productivity was 3 per cent, the average annual increase in consumer prices for the ten year period was 3.5 per cent. The increase in consumer prices was exactly the difference between the wage increases in dollar terms and real productivity throughout on an average throughout the ten year period.

My colleague the Conservative House leader has now found the chart to which I referred earlier, Mr. Speaker. It is an index beginning at 100 in 1948 to 1970. It has gone from 100 to about 270 in so far as labour unit costs are concerned. In the same period of time, the price index has gone from 100 to about 250, almost parallel to the increase in unit costs.

The Prime Minister (Mr. Trudeau) told the House of Commons the other day, as recorded at page 33 of *Hansard*, the following:

> I find it appropriate at this time to destroy the myth that the cost of labour has been a dominant factor in contributing to the present inflationary round in Canada. That is not true.

To put it bluntly, the Prime Minister in this case is full of hops. To make that kind of statement in spite of the professional expertise available to him is outrageous. If he is not careful, he will wind up in jail with the Minister of Consumer and Corporate Affairs (Mr. Gray).

I do not want to give the impression that labour is primarily responsible for inflation. I think that government expenditures and high taxes have put a tremendous pressure on the working man. But there is a relationship, mathematically, between wages and prices, and this must be taken into account in any discussion of inflation, along with taxes and profits.

If the bill does nothing to control the influence of big monopolistic labour, the question arises as to whether or not it will be more effective in controlling industry. Certainly, on the basis of past experience there is little hope. I should like to quote, if I may, two paragraphs, again from my book, as follows:

> The Canadian approach to these questions was suggested by Mr. King in presenting the bill. Like his colleague to the south, Mr. Roosevelt, he indulged in no sweeping condemnation of trusts but differentiated between the good ones and the bad ones. And the formula for enforcement was publicity and conciliation resting on the conviction that "light is the sovereign antiseptic and the best of all policemen".

Does that not sound strangely reminiscent of the present Minister of Consumer and Corporate Affairs and

his hopes for Mrs. Plumptre and her rather ineffectual enforcement group?

● (1540)

Notwithstanding this faith in light, subsequent legislation has opted for a bit more flesh, though only a bit more. In addition to attempting clarification of what a combine was, the revised Combines Investigation Act of 1923, which is the basis of present law, provided for permanent officers and staff and gave independent powers of initiative to that staff. Despite these powers, from 1923 to 1959 there were only sixty-five reports issued and twenty-three convictions. One non-admirer of the law has observed with perhaps more than a trace of bias:

"Either Canadian business has been very good or our administration has been very loose. In either case, business seems to have little to worry about whether or not the law be strictly construed."

This new law provides little substantive change. Oligopolies don't need to have agreements in restraint of trade. They don't need to engage in identical bidding. All they have to do is follow the well established practice of price leadership.

For the benefit of those who may not understand from personal experience how oligopolies work let me give two examples. One I often cite is of, say, five companies in the city of Toronto. Their representatives get together for lunch. The representative of the largest manufacturer will say, "The cost of transportation has gone up; the cost of labour has gone up; the cost of energy has gone up, and on April 1 I am going to put up the price of bricks $5 a thousand." Then, perhaps they talk about how last week's warm spell has affected the buds on the fruit trees in the Niagara peninsula, and about whether or not John Bassett has met his match in the Minister of National Health and Welfare (Mr. Lalonde). They then go home, Mr. Speaker, and there is no contract, no agreement—not even a handshake. This is the way oligopolies operate, for the most part through understanding.

When I visited Australia a couple of years ago I was entertained to lunch by our trade commissioner there. He took me to a very interesting club known as the Bamblers' Club. He said, "Do you see the table on my right? The 14 people there are the Viniers of Australia. By the time they finish lunch they will have divided up both the domestic and foreign markets for the next quarter." Nobody was taking notes, Mr. Speaker. Nothing was obvious whatsoever. There was just that kind of mystique, that almost mysterious understanding that people who operate in an oligopolistic situation have with each other.

Not long ago when an increase in the price of gasoline was proposed in the city of Toronto a spokesman for one of the companies said, "We will have to wait until we see what Imperial Oil does." The proposition was that Imperial Oil was the leader. It was the biggest and most powerful company. Consequently if it figured its cost situation demanded a certain increase in prices then the others would more or less automatically follow along, without any agreement, without any understanding, without any contract, and without sanctions, having in mind the way oligopolistic industry has developed not only in our country but in other countries as well. Inevitably when a small number of companies occupy a major share of the market, imperfect price competition will prevail.

Added to the fact that this bill excludes labour, and will be largely ineffective for business, is the list of additional

[Mr. Hellyer.]

specific exemptions. The doctors won't be included if they are subject to provincial law. The dentists won't be included if they are subject to provincial law. The lawyers won't be included if they are subject to provincial law. The real estate brokers won't be included if they are subject to provincial law. The banks can be excluded on authorization of the Minister of Finance (Mr. Turner). Hydro power won't be included if it is subject to provincial regulations. Air fares won't be included if they are subject to federal regulations. Telephone charges won't be included because they are subject to federal laws. Postage stamps won't be included because they are subject to federal regulations.

If the bill will be largely ineffective for big business, and if labour, the professions, energy and transportation, among other things, can under normal circumstances be excluded, then what is left? The answer is very little—not much indeed! The great majority of the Canadian economy is not included. It is exempt, or it is insignificantly affected except for additional red tape and the consequent higher costs that it will entail.

As the hon. member for St. Paul's indicated, Mr. Speaker, we will support the bill, subject to some reservations and amendments, in the hope that some of its provisions will be beneficial to small business, and that others will provide some additional consumer protection.

As some of its provisions are far-reaching in so far as they may interfere with existing distribution techniques we feel they deserve serious study, and that all interested parties should be given ample opportunity to present their views. Consequently, the government may wish to give consideration to the possibility of splitting the bill, which would allow speedy passage of the more urgent sections while allowing more extensive discussion of the other far more reaching sections. On the broader front, as a contribution to price stability one can only conclude that the approach is totally inadequate. It is outdated. It is, in fact, archaic.

We must admit that we have a split economy. It is not a homogeneous economy. It is an economy where some prices obey the law of supply and demand, where some wages are negotiated between small operators and their employees directly; and where, on the other hand, some prices are set by market power, by the big oligopolies, and where some wages are negotiated by unions which have sufficient power that they can in fact exercise a monopoly with respect to the supply of labour, and where a settlement is reached between a company and a union, perhaps not on the basis of the public interest but on the basis of the interests of the two participating parties at the negotiating table.

So, Mr. Speaker, the first thing we have to do in order to come to grips with the over-all approach is to admit, once and for all, that our economy is split; that it consists of two parts, and that probably of the two parts the rigid, oligopolistic and monopolistic part has more power and more influence on what happens in the economy than the remaining market sector which is in fact very much influenced by the more rigid sector. We must abandon the approach of the last century which held that we have a genuine market economy. In fact, we do not. We must introduce a new concept of reconciliation. The real economy must be reconciled with the public interest.

We regulate transportation costs in the public interest. We do not always do it well, as is evidenced by the transportation mess that we have in the country at the present time, but the principle of reconciliation is accepted. We permit the Minister of Finance to authorize banks to set uniform interest rates on deposits, as indeed well we might. Certainly, if we start moving into a situation where we want to get inflation under control and where it is public policy to reduce interest rates, this is a power that must reside in the Minister of Finance because it is one of the most important aspects affecting the over-all interest rates situation in this country. Those of us who believe that something must be done would not want to see the Minister of Finance without this power of regulation. Yet we realize it is inconsistent with the old, out worn concept of genuine competition at all levels.

Why cannot we recognize both the right and the necessity of establishing guidelines under which union power and market power could operate in the public interest? People are getting sick of strikes. People are getting sick of slowdowns and of working to rule. People are getting sick of students who are not being taught. People are getting sick of having their travel arrangements disrupted by strikes or any other device. No one wins; everyone loses. It is almost as if we were considering the human body, Mr. Speaker. How could we say to any one of the systems in the human body, "We can do without you for some period of time"? We cannot say to the heart, "You do not need to work"; nor to the respiratory system, "You can have the weekend off". It is impossible to operate any interdependent complex system in this way and similarly it is impossible to operate a complex interrelated system like our modern economy in this way.

● (1550)

People are getting sick of rising prices. They are getting sick of dramatically increased profits with their inflationary increments. People are getting sick of the status quo. People are sick of the confrontation between business, labour and government and it is obvious that something new must be tried. A policy of reconciliation must be tried and given a chance.

The Prime Minister has chided my leader for suggesting a new approach. Surely, anyone as wedded to policies which have been proven as disastrous as present policy, should not pour scorn or ridicule on new approaches.

Some hon. Members: Hear, hear!

Mr. Hellyer: The government's policy is set in the concrete of the 1930's and the 1940's.

Mr. Bell: With the NDP.

Mr. Hellyer: They are all part of the same bunch. Neither has had a new idea since 1935. The Leader of the Official Opposition (Mr. Stanfield) on the other hand, welcomes new ideas. He is willing to innovate; he is willing to accept the risk involved in blazing a new trail. He is willing to set Canada on a new course of conciliation under which all Canadians can work together but work as partners to build a new Canada.

Competition Bill

Mr. Jim Fleming (York West): Mr. Speaker, despite the closing comments of the hon. member for Trinity (Mr. Hellyer), rather than launch into a tirade in response to the very superficial and traditional remarks at the conclusion of each address by hon. members opposite, anxious and lusting for power but a long distance from it, I should like to begin by saying simply that this bill before the House today is a plateful of nutritious justice for Canadian consumers. It has been a long time in the kitchen. It is action to achieve a major cleanup of the marketplace, and it is of great significance to all consumers, urban and rural alike. The various measures in this one bill are enough to make any parliament proud of it as the work of an entire session, were that all that was accomplished. It is a most significant choice as the first piece of legislation to be debated in this second session of parliament following the throne speech debate. I hope the bills that follow from this government will each be half as significant, in protecting and assisting Canadians, as this bill is to Canadian consumers.

During the leadoff address by the minister yesterday, when he urged quick, thoughtful, but prompt judgment of this legislation so that it could pass into law and at last correct these injustices in our system, some members opposite heckled "If that is the case, why did you not do something last December? Why did you bring it in last November? Why have you not done anything about it until now?" Of course, a few minutes later when the minister had finished, the first spokesman for the official opposition rose and said, "One of the things that is really bad about this is that you gave it to us on Monday and you spring debate on us two days later." That is the kind of hypocrisy that the official opposition suggests is honest debate and criticism of the actions of government. I really doubt very much whether they are carrying out their full responsibility. I always thought that progressive conservatism meant that there was at least some progress within conservatism. I am beginning to think that it means becoming progressively more conservative.

Mr. Baker: Tell us about the glories of the new world.

Mr. Fleming: Mr. Speaker, I am always pleased to have the attention of hon. members opposite. That is a rare compliment, when they listen and consider someone else's view.

If I may continue, Mr. Speaker, back in 1966 the Economic Council of Canada was called on by government to study this situation. The first competition bill was brought down in June of 1971, and we are all familiar with the strong reaction to it. It has been eight years in total since work was begun on a study of this matter. As I said a few moments ago, this bill was first presented late last year; now we have it, and now it is time to act. I hope that members on both sides of this House who are concerned about consumers and their protection will responsibly act together to take action, make amendments where necessary in committee, and bring forward the bill to have it passed into law as soon as possible.

I want to put into the record, if I may, Mr. Speaker, the reaction of some small business leaders and some of our media people in Canada who are often critical of the government. There is for instance the statement given at

six o'clock on November 5 of last year on CBC radio by Ruben Bromstein of the Canadian Federation of Independent Business, which has some 9,000 members across Canada. Mr. Bromstein said, of this legislation:

Clearly, we are most pleased that the bill has been introduced ... basically it is giving small business an opportunity to be protected by the law. And even after a decision has been made that somebody is violating the law, a small businessman will have the opportunity to sue in court to collect damages that have occurred because he has been hit by the people who are trying to drive him out of business, or are in some way affecting his business unfairly.

What we are concerned with here is that the government seems to have made a genuine attempt to catch the errors (at least that's the impression I'm getting from reading these provisions) and to try and, in a staging process, get at the problems that affect him.

That is a small business leader of probably the largest association of businessmen in Canada. I have another quote here from Gail Scott of CTV News on November 5, 1973 when the bill was first brought in during the last session. She said:

... the new act does go a long way to regulate continual consumer problems and if implemented, will bring with it many of the changes that consumers have been asking for.

Biographer and columnist Geoff Stevens of the *Globe and Mail* said:

Many of the bill's provisions make simple good sense.

Two encouraging aspects of the new bill are that it would bring a broad range of services (as well as goods and products) under regulation and it would give the Restrictive Trade Practices Commission the power to order a halt to illegal business practices.

And finally, one of Canada's leading experts in competition and consumer law, as quoted in the *Globe and Mail* for November 17, 1973, Professor Donald N. Thompson, Professor of Administrative Studies at York University, said:

One of the rare abilities in this world is that of taking a good but controversial idea a lot of people find objectionable, and revising, rewording and re-introducing it so that it says exactly what it said before but is now embraced as being both desirable and different from what it was.

This is precisely what has happened with the new competition bill, introduced by Herb Gray, Minister of Consumer and Corporate Affairs, as an amendment to the Combines Investigation Act.

So, from a broad section of the media, from business leaders, from experts in our universities, comes acclaim for this bill. Mr. Speaker, if I were still in the news business, as once I was, and I were faced with deciding how I could handle this bill, I think my first reaction would be, "If only you could bring in something like this piece by piece over a number of days". Each of the many actions within it is major front page news of very real significance.

I should like now to talk about some of the particular aspects that relate directly to consumers, some of the principles involved in this bill. In the area of misleading advertising, particularly significant is the proposed new clause that would apply to prices shown on the article itself or, as set out in clause 36(2)(b):

—expressed on anything attached to, inserted in or accompanying an article offered ... for sale,—

—on point of purchase displays or in any advertisement. In fact, statements made by salesmen in the store, by telephone or in door to door selling—any presentation, can be judged. If it is not correct, then under the new provision the general impression created by representation, as well as the literal meaning, would have to be taken into account by a court in determining whether or not that advertising was misleading. There is real discipline provided by this measure and Canadian consumers can expect to get the straight and honest facts when they are considering a piece of material, goods, or now, services.

[Mr. Fleming.]

As well, it often happens that people are worried about the merchandise they are about to purchase; that it will not stand up or there is something about it that makes them uncertain. The assurance given by the salesman is that there is a guarantee or warranty. It is a very official, ceremonial looking piece of paper with a lot of small print that they do not understand. That is their reassurance and, even though there is something about the object they are about to buy that they are not sure about, they go away and find out later that the piece of paper means nothing. However, it helped the salesman get rid of the object. The buyer is stuck and must take the loss. I think the principle underlying this legislation is tremendously important. I am referring to that part of the bill which says that warranties, guarantees or promises to replace or repair an article offered for sale are misrepresentations contrary to the act if there is no reasonable prospect that they will be carried out.

● (1600)

May I continue talking about the misleading advertising section of the act. Clause 36(1) contains a principle of great importance. We all know the tremendous impact of the advertising on television which shows the lovely lady next door, so to speak, with two kids; she is a model housewife—and says something like this. "I know that you just came across me, Mr. Announcer, but the wonderful, glorious truth is that I love this product. I use it all the time and what I have just said is completely spontaneous." That kind of nonsense will not wash anymore. If there is to be such advertising, the statements must be made by somebody who makes them honestly. There must be proof of this. This kind of testimonial cannot be used without the permission of that person.

I also hope there will be discipline, so that if somebody wants to put an appropriate plug on the air he will not be able to go out and conduct 500 interviews, then use the one interview that is suitable. I am not sure whether the bill, in its present form, will clamp down on such abuse. I hope the restrictions will be in the law, so that we may rely on the truth of what is said in this way by an alleged consumer who may advertise on the media.

Double tagging comes within the purview of the act. This crops up quite often and is of major significance. I believe last fall, as a result of investigations carried out under the direction of the Prices Review Board, we discovered that many stores, because people had been talking of inflation and so fanned the fires of inflation, had put on more than one tag. Retailers had put new prices over the old ones, and the new prices were charged even though the commodities had been on hand when the old price had been charged. These commodities had not been bought at increased prices. The sale must be at the lowest price of any tag put on the article. I would be pleased if we could even go further and say that the commodity in stock must be sold at the going price, and that its price cannot be jacked up when more expensive stock arrives later.

Bait and switch is an old trick which people without a good product to sell or people trying to lure customers into the store frequently use. It is used on the unaware consumer and has brought great profits to certain people who have no conscience about using the technique. It has brought great hardship and unhappiness to the consumer. Bait and switch is a technique which takes advantage of less consumer educated people. Often they are lower income Canadians, and I am pleased to see that this bill deals with this situation. The old practice of saying, "We are going to have television sets at $89 each; you must come and get these beautiful 27 inch television sets," and then, after 500 people have rushed in, saying, "We are sorry but we only had three sets at that price; now that you are here, come and buy this 21 inch set for $500," is to be forbidden. This practise will not be tolerated. You must have an adequate supply of whatever you are advertising in stock. You must prove that you really mean to do what your advertising says, and that you are not just luring in people who hope to buy something at bargain rates, when the truth is that there are no bargains. In fact, the advertiser knows darn well he can't afford to give such bargains.

Clause 37(1) of the bill, Mr. Speaker, carries the merchant's responsibility a step further. It would be an offence for anyone who advertises a product for sale at a specified price to sell that product at a higher price during the period and in the market to which the advertisement related. Again that is a significant move. You cannot put an advertisement in the paper on Monday, an then when people go shopping on Thursday, having read your advertisement, say to them that that price was only good for Monday and Tuesday. You will not be able to do that; you will not be able to highjack people in that sense anymore.

The other part of clause 37 is intended to provide new ground rules governing the practice of employing lotteries or other types of contest to promote sales of products. This is something that is all too often used on the consumer. The advertisement will say, "Win a bicycle for your child," or "Win a trip to Nassau," or something like that. All you have to do is fill in the form, read the ground rules and answer that easy test question at the end, then you will win. Often even more glorious prizes are offered. The advertisement will say that you can win $100,000, that there are many prizes. Under this legislation you will have to show what the odds are. No longer can everybody be given this false hope and so be induced to buy a product which they may not want or cannot afford. No longer will they buy a product that is more expensive than it ought to be because by buying it they can indulge in a dream which will never come true. After many disappointments, consumers become very disillusioned. They have wasted their money and they become bitter about the product involved.

If I may now leave the misleading advertising part of the bill which deals with the direct approach to the public, I should like to deal with two other areas of great importance in this bill, namely action to control referral selling and pyramid selling. Pyramid selling, as you know, operates much as a chain letter operates. The people at the beginning make tremendous gains, if it works. The idea is that you must keep on "suckering" more and more people into the scheme and broadening the base. The regular Joe who has been sucked into the scheme loses his money, has nothing to gain, and the people at the top walk away with the windfall gains. These schemes will be closely restricted under this act.

The second area is that of referral selling. I am talking about the sort of situation in which the vacuum cleaner salesman comes to the door and says, "I have a vacuum cleaner for you; it is only $800." The housewife gasps, says it is a beautiful vacuum cleaner, but how can I possibly afford $800? Within one hour and a half that salesman may have that woman selling 80 vacuum cleaners to her friends, neighbours and relatives so she can afford to buy the $800 one. That type of selling will end. That is one of the most significant parts of this bill.

I am pleased also to see that this bill, when passed, will give the restrictive Trade Practices Commission power to act against abusive practices such as refusal to deal, consignment selling, exclusive dealing, tide sales and market restrictions. These may be terms unfamiliar to many Canadian consumers. So, if I may, I will touch on them briefly.

Let me talk about refusal to deal. The supplier of a commodity may be angry with a retailer because the retailer has not been maintaining the price, or there may be some other reason for his anger. The supplier may, therefore, refuse to supply that retailer and thus affects his position unfairly. That will not be allowed to happen. The Restrictive Trade Practices Commission can investigate practices like that and, if needed, action will be taken. The people responsible for the abuse will be punished.

Consignment selling has sometimes been used to get around the prohibitions of resale price maintenance and price discrimination among a seller's customers. If appropriate the commission may order, in any given situation, that the practice be stopped or modified. Let me interpret that. For instance, if you are a large supplier you can go to a number of the major chains and say, "We will give you a price advantage because you are dealing in large volume." If you are selling 80 per cent of your volume to large retailers and selling only 20 per cent to smaller retailers I do not understand how you can sell 80 per cent at a low price and leave 20 per cent of your market at a price disadvantage because the small retailers handling the 20 per cent are not selling as much as the large chains which sell 80 per cent. I hope that this bill will be effective in stopping that kind of price discrimination.

I very much support the principle used by the bill for dealing with exclusive selling. It will prevent the supplier from making exclusive contracts with retailers in which there will be certain boundaries within which that product will be sold exclusively by one retailer. Under that practice there are no overlapping boundaries and there is no competition between retailers with regard to that product. This situation is prevalent in the automotive field. It is not fair and must be stopped, especially as large scale advertising creates a special demand for the product in the minds of the public. Therefore, I think what the bill does in this regard is very important.

I should like to see amendments dealing with certain abuses to which I shall refer. Perhaps this could be done in committee. I am talking of a practice that is very similar to exclusive dealing. For instance, in Ontario you might be

selling cocktail mixes. The large food chains might say to you, "We will only handle one brand; if you want us to handle your brand you must pay us $12,000 for a one-year contract, and we will handle it exclusively. You will also need to take advantage of our advertising deals, and so on." That is how they treat suppliers. It means that the consumer has no choice in product. Meanwhile, the price of that product must surely be affected because of the front end cash payment for one chain to handle it exclusively. I hope this practise will be considered later in committee.

Let me refer to something which is foremost in people's minds, especially in view of the difficulties we have been witnessing in connection with the sale of locomotives to Cuba by Montreal Locomotives Worthington. There have been difficulties with United States laws. I think it is excellent that the bill provides that where, foreign judgments, laws or directives are found to be contrary to the Canadian public interest, the commission may make orders that forbid their implementation in Canada. At last, we will clear up that inequity.

● (1610)

One of the major principles of this bill, one which, as I understand it, will not come into effect at the same time as the other measures, has to do with the whole area of competition and consumer protection in relation to services. The inclusion of services in the bill reflects the growing importance of this sector of the Canadian economy. Formerly, though some services related to goods were included, services of any description are now covered. The minister has explained that the proclamation of the law, to the extent that it relates to agreement in restraint of trade in the service sector, may be brought into force at a later date in order to afford an opportunity to discuss any problems which might arise and find an equitable way of setting out the regulations. Even so this vast area will at last be included in competition and consumer legislation.

I turn, now, to the section which says that in the field of professional and amateur sports it shall be an offence to combine or arrange with another person to limit reasonable opportunities for a person to participate in a sport or to negotiate with a team of his choice. This will not mean there will be no contractual rights. It will not mean that the richest franchise in a particular sport can buy out all the best players in other teams. But there is some muscle here to be sure there is not the kind of human horse-trading which often takes place in our sport today, particularly in junior or amateur sports where young people are involved. For the first time, provision is made within this bill for civil action to be taken in the courts by anyone adversely affected by violations of this legislation. At last the consumer will have the right to fight for the return of his money and for justice to be done. It is a significant addition to the bill, and, I think, a rounding out of the measures taken to ensure fairness to consumers.

Another new provision would allow the director of investigation and research to make representations and call evidence before any federal board or commission with respect to the maintenance of competition whenever it would be relative to the matter being considered by the board. I believe this to be of particular significance. I see no reason why this provision would not apply to the work

[Mr. Fleming.]

of the Food Prices Review Board. In cases where the board wishes to conduct its investigations, it will now be empowered to work directly with the investigations branch. I hope this provision will be of major assistance in making the work of the Food Prices Review Board even more effective.

As I said when I began, Mr. Speaker, this is a list of important measures to put the Canadian market place into much better order. It means an end to the hustlers and the hucksters. There will always be some, of course, who will try to find a new way of deceiving the public but we are closing many of the doors which have been left open, and which have allowed their imaginative minds to devise various ways of duping consumers and avoiding existing laws. The bill has been the subject of lengthy discussion over a number of years, beginning back in 1966. It was before the last parliament, where it was considered at length. All groups affected were given the opportunity to consider the extent of its impact, and I believe the time has now come to act. I have spent almost half an hour describing the specific principles which will deal directly with the action of those who would take advantage of consumers in Canada. The passage of this bill will stop this exploitation. It has gone on for years. Schemes such as bait and switch, pyramid selling and referral selling have taken advantage of consumers for years. Surely, this is the point at which we should all co-operate in seeing that the bill is considered quickly and passed into law. All of us think of elections from time to time. After this measure is passed, members from any party represented here can stand on the hustings and say: I, as one member of parliament, have done this for you, the Canadian consumer.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, the philosophy of this bill demonstrates the radically different approach to prices, and the problem of consumers, between our party and the government. The government and its allies to my left look at the economy of Canada in the light of a past century. This is the light of the 19th century, when there was a free economy, when there were innumerable buyers and innumerable sellers, when there was genuine competition between many manufacturers and many distributors of goods. They say that this bill, and the tinkering it provides, will make sure that there will be real competition and that competition in itself will make prices fall, will provide the justice that consumers demand.

The reality of the 1970's is that we are in an age of oligarchy, big corporations, big business, big labour, where there is really no competition, an age in which, as the hon. member for Trinity (Mr. Hellyer) said, prices are determined by price leadership, by administrative policy, by administered terms of competition. We do not live in an open barter economy any longer. We do not live in an era where there are many steel companies, where there are many cement companies, where there are many automobile manufacturers and where these companies compete with one another individually in every sense.

We only have to consider the automobile industry to realize the misunderstanding of the nature of our society that this government and its allies in the New Democratic Party have. The automobile industry, for example, amounts to one company which basically controls the

whole industry. I refer, of course, to General Motors. Let's not kid the troops; there is no competition in terms of price. It is a question of price leadership. The only competition, and it is certainly minor competition, exists in the registered outlets of each of the large manufacturing corporations. When you say you will lower tariffs and allow in foreign goods to increase competition you are talking balderdash and nonsense. We cannot dismantle our industrial enterprises just because the prices don't fall low enough. We must make sure that our large manufacturers are protected in a sense. So, prices will never be lowered by reduction in tariffs or removal of customs barriers. It is nonsense to suggest that they will. These large organizations set prices and set the terms, and they are never really prosecuted because they combine. If they are threatened they find a way out. They have always avoided prosecution in the past and they will in the future. The bill before us does not solve anything with respect to prices.

The measure before us deals with the banking industry. What an industry! Does anybody honestly suggest that there is real competition in the banking industry, other, perhaps, than in the advertizing campaigns they run on television, or over the radio or, perhaps, in terms of their fancy buildings, claiming that one tower is a little higher than another, or in terms of the personality of one manager as compared with the personality of another? Is there any competition in the interest rates charged by banks? We all know that the prime rate of interest is 9½ per cent and we know that credit risks are adjudged by all bankers in basically the same fashion.

● (1620)

Every small businessman knows that when he goes to one bank and is refused he will probably be refused at another bank. This bill does not get at this situation at all. So far as the banks are concerned, all the bill does is to levy a fine of $10,000 as an alternative to the possibility of two years in jail, and whoever heard of a banker going to jail under the last act? Is a banker going to jail or is he going to pay a fine under this act? So, let us not kid ourselves: the provisions of this bill with respect to banks are meaningless in terms of competition, and why they are in the bill I do not know. This bill is not a bill that is going to improve competition in banking in any way.

So far as the oil industry is concerned, just last fall we had what was supposed to be an oil crisis. The price of gasoline increased by an almost identical amount at the same time at the pump of every oil company. There is no question of combine here; it is a question of an oligarchy when that type of activity occurs. The approach of the government is the wrong approach. The government is not doing anything about increased prices or about these oligarchies.

What we really need is an incomes and prices review board. What we really need is an incomes policy based on the long term that will put public input into our price and wage structure. In a country like Canada, with 22 million people, we must maintain the economy of scale that the large corporations provide. But recognizing that, we must also recognize that competition is not going to control prices, that public input must be made.

For a long time we have recognized that to control telephone rates and transportation rates, the rate that is charged must be reviewed by a public board or commission. This is what this party has been saying all along in regard to inflation and price control. Essentially, we have been saying that what we need is an incomes policy that is absolute. We need to attack inflation in a different fashion. Simply tinkering around with provisions dealing with refusal to sell and other little things in this bill will not do very much to benefit the consumer. The hon. member for St. Paul's (Mr. Atkey) was right when he asked the Prime Minister (Mr. Trudeau) today: Where in this bill is there anything to reduce prices? This is the issue today, yet there is nothing in the bill whatsoever to reduce prices. The bill may have some good points, but really it is a bankrupt bill.

As I say, there are some good things in the bill which we would be most pleased to support and are very happy about, but with regard to the over-all concept of reducing prices and controlling the economy so that the big and powerful do not, to use the words of the hon. member for York South (Mr. Lewis), rip-off the people of Canada, we must have an incomes policy that will control prices and wages in the public interest. Then the large fixers of society will not be able each and every year to take a larger and larger share of the total pot. This is what has been happening in the 1970's, and it will continue to happen since this bill is not going to do anything to stop it. It might do something to control arrangements made between two automobile dealers, but it really is not going to do anything to control the fixes in society. It is about time the government and their allies started to realize that this is the 1970's, the last half of the 20th century. The economic philosophy of the 18th or 19th century does not apply today. This is not 1930.

I should like to say a few things about what the bill does. It has some accomplishments that are valid and for which we have been calling from time to time. The bill creates offences for certain shady business practices, and certainly these shady business practices must be controlled. The bill restricts bid rigging, where one contractor combines with another contractor to put in a fixed, high priced bid. It controls that sort of thing, and that is important.

The bill controls misleading advertising. It controls phony warranties, and I think we are all in favour of that. It controls some aspects of double ticketing. It has provisions in regard to advertising and in regard to some of this alleged bargain advertising. This is the situation where someone advertises what is said to be a bargain, but unfortunately he does not have enough goods in stock to meet his anticipated orders and he is really using his advertisement of a bargain as a method of switch selling. The bill does control this type of activity. The bill controls pyramid selling. It controls some of the phony contests that are carried out by some firms through advertising of merchandise.

All of these are items of consumer protection, and if they were included together within one bill and put before the House as one proposition, then we would have a worth-while piece of legislation, a piece of legislation that members on this side would, I am sure, accept almost

immediately. The bill would go to committee for some touching up of the drafting, and it would be through the House and passed into law in no time at all. However, this bill is an omnibus bill. This government is used to omnibus bills. It is a government that always wants to put a whole lot of things under one umbrella.

I should like to say a few words about some of the provisions that I am not sure have any validity, matters that will probably not help business conditions or encourage more competition. I suspect they will only add to the costs that are inherent in our economy and they will certainly increase bureaucracy in our economic and business system. The government continually receives complaints from citizens about certain problems. One of the concerns that I have, and which I know other hon. members have, is that all of a sudden, having received a complaint, the government does something about it but often uses a cannon to shoot a mouse. It passes a law or sets up a board or commission with far greater powers than required to deal with the situation.

That, to a large extent, is the case with this bill. For example, let me address myself to competition in sport. Some serious complaints have been made about young athletes being enslaved—I suppose enslaved is not too strong a word for it—by contracts that were made on their behalf by their parents when the athletes were young and which, in effect, prevent them as they move forward from going from one league to another league as they wish. In other words, their employment is restricted and their freedom destroyed. However, these contracts may have offered some advantages. They have perhaps enabled leagues to develop. It may be that those contracts have enabled junior players to be brought along. When we get worked up about these contracts we ought to remember that they were voluntarily signed by people who knew other people who had signed such contracts. Often those contracts were signed when a person did not realize his income potential. Then, suddenly, he does realize it and he begins to scream because he made a bad deal. The whole question of sports contracts should be a matter for a separate bill and a separate review by a committee of this House which could look into the contracts and the terms of the league organization.

● (1630)

This government has really done nothing about sports until now, other than I suppose put the NFL on CBC television and decide that it is going to ban the WFL from coming to Toronto. Really it has done very little in respect of professional sport, but all of a sudden it comes into the picture with a bill amending the Combines Investigation Act, the Bank Act and the Criminal Code, and decides to make provisions in respect of sports contracts and the direction of sports. Really this is a different issue from the price of goods or selling something in a store. This is a different issue from distributing goods among franchise holders in a commercial business sense. The particular provisions of this bill which relate to sports should be set aside and referred to a special committee. One of the problems with an omnibus bill, is that when you put a lot of things under one cover, you find many things you are happy with but a number of other things that cause you concern. I have some concern about the sports provisions in this bill. These provisions are not the essence of the bill at all but the essence of a new approach to organized sports, and they should be in a different bill.

The next thing I want to talk about is this refusal to sell problem. There have been a number of outlets which have become worked up about the fact that they would like to buy certain manufactured goods for resale but, generally speaking, in the distribution of manufactured goods across Canada the manufacturers have set out exclusive territories or have exclusive arrangements with certain distributors. In a country as diverse as Canada this business of exclusive territories or areas of distribution has proved to be quite valuable. Indeed, I suggest that in many ways the distribution of many goods could not be effected without some exclusive territorial or distributor franchise system. It is only with a franchise system that goods can in fact be distributed.

The difficulty with this bill is that it may or may not be proper to interfere with such arrangements. Anyone can complain. Then, the commission will investigate and may declare an arrangement to be improper. If that declaration is made the person involved in setting up a distributorship or a franchise arrangement is forced to justify his marketing techniques. It seems to me there is no reason for this kind of provision in the bill. Is it really necessary at this point? I suggest it requires a lot more examination. I have grave doubts as to whether a person should not be entitled to refuse to sell to someone unless he agrees to buy the entire line, or to stock all the parts and the ancillary things required. The manufacturer of the goods has a pretty good idea of his potential market, and he knows how best to distribute those goods. Is it really essential that a bureaucratic arrangement be made empowering a commission to interfere with the details of such a business, just for the sake of suggesting it will increase competition? Indeed, it may have exactly the reverse effect. The increased competition may destroy the business or the possibility of marketing the goods at a low price. These provisions in respect of refusal to sell or tied lines, and this interference in a legitimate business organization or a company's dealings across Canada, will have to be examined in great detail, and a great deal of evidence will have to be placed before a committee.

The hon. member for York West (Mr. Fleming) is perhaps right in suggesting that the part of the bill which really affects the consumer could be passed right away, but when we come to this complex question of franchise arrangements, exclusive territories and the demand that one person be entitled to buy goods directly from a source, then we have problems which will take some time to solve it. We must be sure we are not creating a law that is going to do more harm than good in Canada. Unfortunately, the minister has used this grab-bag approach again by putting provisions in the same bill in relation to business, sports, banks and the legitimate concerns of which I spoke earlier.

One thing that has bothered many of us is the way the Restrictive Trade Practices Commission is to operate. It appears that the commission will have three real functions; one is administrative, one will be investigative and one will be judicial. The problem is that there is no separation of these functions, so the commission is the

judge and the jury, as well as the policeman. We have a situation in which the commission will investigate and then charge a businessman or some concern with an offence. That man or concern will come before the very people who did the investigation and laid the charge. There is no provision in the bill for a fair hearing or trial of the issue, no provision for the calling of evidence, for cross-examination of witnesses by counsel, and no provision that the commission, when adjudicating on a matter, must give written reasons for its decision.

That would not be so bad, I suppose, if all the commission could do was levy a fine, or make an order, but the difficulty arises in respect of a civil suit which can be brought as a result of the order of the commission. All the person complaining must do is prove that the commission made an order. Then, if he can show any loss at all he gets back not only that loss but also any costs he may have incurred in investigating the matter. We do not have any provision for written reasons, yet an order of the commission is all that is necessary to collect civil damages. This is an amazing change in the concept of law.

Let me go into the matter of criminal law, or highway traffic law, if you like, which applies to the offence of careless driving. Let us take the case of a person who is charged by a policeman with careless driving. He attends court and may plead guilty. He may feel that really he is not guilty because the person with whom he had the accident was also careless. In many cases both parties have been charged with careless driving and, because of the cost involved in defending the charge, plead guilty and pay the fine. If a lawsuit should result, then the whole issue is tried all over again and evidence produced. When a person pleads guilty he may not know what damages are involved.

● (1640)

If a person is charged under this particular provision of the bill, he would not dare plead guilty. He had better fight it right down to the wire because he does not know when he may be sued for damages and the order made by the commission is sufficient to nail him for damages. Such people must defend an action brought by the commission to the very utmost. Ordinarily when a person is involved in a civil lawsuit arising from a criminal charge, a new trial is held and the plea to the criminal charge is not taken into account. This is not the case in this situation, so what we have here is a step away from the normal jurisprudence of this country.

Should this bill pass second reading, I feel the committee must carefully examine this provision because it is a new step. It is a totally new proceeding, a new way of handling the question of civil responsibility for actions that are now declared to be of a criminal nature. Nowhere else in law does this situation exist. One may commit rape and be placed in jail. However, one also can be sued civilly for that offence and may have to pay damages. But in such a case there are two separate trials of the whole issue. Under the provisions of this bill there are not two separate trials. There is one trial by the commission. This is a kangaroo court conviction. The person concerned is stuck for civil damages. Any damages that are proved he must pay. This situation must be looked at in every detail.

One concern that has been expressed by the hon. member for Trinity (Mr. Hellyer) and others is that the bill exempts the labour organizations from being subject to the restraint of competition or combines legislation. Certainly, over the history of the 19th century, and the first part of this century, the labour unions, with the development of collective bargaining, have managed to obtain for the men a fair recognition of their labour in the development of the country.

Unfortunately, however, there have developed on the labour scene conditions that are far from marketplace conditions and which go a long way beyond what is normally the proper sphere of collective bargaining. For example, the collective agreement of the electrician's union in Toronto contains a provision which places a serious limit on the number of persons who can become apprentices. If I or my son wished to become apprenticed as electricians we could not do so. The number of apprentices is limited and the number of people allowed in the trade is limited. That is a combine every bit as much as any other combine.

An hon. Member: What about law?

Mr. Blenkarn: Yes, the legal profession, the engineering profession and these other professions should be included because they are combines in restraint of trade. The same situation applies in respect of the construction industry. I will tell you a story, Mr. Speaker. I was acting for a construction company which wished to bid on some work. That company was told it could not bid on the work unless it was unionized. So, a patsy agreement was made with the union. The employees did not have anything to do with it. The company paid the dues and the company obtained the contract because it was a union company. The men were not organized. The contract price was increased by the amount of the union dues paid. If this is an example of collective bargaining, then I am pretty shocked.

This is the type of thing the minister should direct himself to as well. There is no reason this bill should exclude from the provisions of restraint of trade legislation labour unions which operate in that fashion. If there is a monopoly in respect of the people entitled to be plumbers in a city, is that not an example of restraint of trade just as it would be in the case of real estate brokers or doctors. While these people may be excluded from this legislation because of provincial legislation, I suggest the labour unions should be placed in the same position as professionals. I am a member of a classy labour union, the Law Society of Upper Canada. I am a member of the society and I cannot practice law without such membership. I am at least subject to provincial jurisdiction and I am subject to this legislation where it is not in conflict with provincial legislation.

Surely, this bill should include all forms of people involved in professions. If you drive a truck or locomotive you are a professional. There is no reason that type of activity should not be treated as professional. Because these people are professionals they should come under the provisions of this act and should be subject to the same disciplines as any other professional. The reason they are exempt from these provisions is pretty evident in this parliament. It is because the government relies on the New

Democratic Party in order to stay in office. It is not a question of principle. It is the only thing the government can do. It must keep the NDP happy.

The major complaint I have is that this bill takes the wrong view in respect of the kind of economy we have in the 1970's. The bill contains some provisions that will help in the trade of goods. It does ban certain obnoxious retail practices. However, it is not a bill that would do anything to reduce prices in Canada. It takes a totally wrong approach. The approach taken in this bill will not reduce prices in Canada. We live in an economy where the major price structure is controlled by large corporations and large unions. These corporations set prices on an administrative basis, on what they think they can get for their product. If they decide they want to pay more for labour or for management's salaries, they pass that on. They could continue to do that. There is nothing to prevent them from doing so in this bill. They can stay well within the framework of the bill, and there will be no improvement in the price structure or in the competition among them.

● (1650)

What we need is a new approach, a new industrial and commercial policy for Canada in terms of the pricing of goods, the pricing of labour, and the pricing of incomes in the public interest. That can only be done with a rounded incomes policy, and that is not being done in this bill. This bill sets up more bureaucracy and more rules for people to watch out for but it does not get at the real issue of 1974, and that is inflation which is as high as we have ever had it and going higher. When the cost of everything we buy goes up by at least one per cent a month, when people are buying and buying because they have no faith in paper money, that is inflation.

We have a government which introduces some fiddly bureaucratic rules and controls. It hopes to accomplish something with those rules, but it really accomplishes nothing. Other than the provisions in this bill that clean up some dishonest business practices which I have mentioned earlier, this bill will need a great deal of review and reconsideration. The government should withdraw the bill immediately as it is now presented and produce a new bill covering those parts of competition that eliminate the bad practices of some businesses. It should present such a bill to the House, which would then be passed. The government should then, if it wants to go further, bring to the House committee a separate bill dealing with refusal to sell, franchise agreements, territorial agreements and that type of thing which seems to concern them so that the House committee could have the time to hear witnesses, to understand these, problems and to determine whether or not they are worth solving.

The same applies to the field of sports. If the government approached this bill with the real intention of doing something for Canadians; those parts of the bill that are valid would be passed very quickly. But the government does not do that. It put all these matters under one roof and said: "Aren't we wonderful". If they understood the economics of this nation and the problems of the 1970's they would not have presented the bill the way it is and they would have banned some of the distasteful practices.

[Mr. Blenkarn.]

Before concluding I want to mention one other matter that has concerned a number of us, that is the provisions in the bill that allegedly look after a situation in which the rules of a foreign government affect the trade practices of Canadians. Under the provisions of this bill, the Restrictive Trade Practices Commission is supposed to review that type of contract. These provisions in the bill are a complete abandonment of this government's responsibility to ensure that foreign laws do not control the business ethics and attitudes of Canadian businessmen. It is the government's obligation to act as they should have acted long ago in this matter before it was taken up by the public press. It should have stepped in and said: "This is Canada and if you are going to do business in Canada then you should follow Canadian rules and laws".

Mr. Deputy Speaker: I hesitate to interrupt the hon. member, but the time allotted to him has expired. He can conclude his speech if there is unanimity. Is it agreed?

Some hon. Members: Agreed.

Mr. Blenkarn: I was just about to finish in any event, Mr. Speaker. I say that the provisions in connection with the control of foreigners doing business in Canada are not satisfactory and do not come to grips with the problem. This matter should be dealt with in another two section bill which should provide, as the hon. member for St. Paul's indicated, that foreigners or foreign controlled corporations doing business in Canada should obey the rules of trade in Canada and not be subject to the rules of trade that may emanate from their home country which may make their activity in this country illegal. That is an easy matter. It could be introduced by this government and would, I am sure, be passed by the House without even having to go to committee.

This omnibus bill leaves a great deal to be desired because of the way it is put together and because of the nature of the bill. I say to the minister—and I wish he were here—that if he wants this bill passed he should break it up into two parts. Some parts would be put through instantly and others would have to be closely examined. A great number of witnesses must be heard and it may take a long time before this bill returns to the House for third reading.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Grenville-Carleton (Mr. Baker)—Energy—Price of Home Heating Oil in Ottawa Area; the hon. member for Sault Ste. Marie (Mr. Symes)—Manpower—Opportunities for Youth Program—Level of budget in Sudbury area; the hon. member for Winnipeg South

Centre (Mr. McKenzie)—External Affairs—Garrison water diversion project—Federal representation at meeting between North Dakota and Manitoba governments—Government position.

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

PRIVATE BILLS

[*English*]

EASTERN CANADA SYNOD OF THE LUTHERAN CHURCH

Mr. S. Victor Railton (Welland) moved that Bill C-264, respecting the Eastern Canada Synod of the Lutheran Church of America, be read the second time and referred to the Standing Committee on Miscellaneous Private Bills.

He said: Mr. Speaker, this will not take long, I am sure. It is a request to bring Bill C-264 before the House and obtain consent for this bill to be sent to committee. The request is made by the Eastern Synod of the Lutheran Church of Canada. The statute of 1885 which incorporated the synod restricted their investments. Recently, a large sum of money was given them which they think would be used better if they obtained a little more interest. In this way they could do more work for the church and for their foreign missions. I believe this is so, and I think that the investment should be carried out in the same manner as investments made by any institution such as, for example, an insurance company. However, this can all be discussed in committee, and I would simply ask the House to give the bill second reading so that it may proceed in the usual way.

● (1700)

Mr. Deputy Speaker: If there are no further statements, I will put the motion.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

Mr. Deputy Speaker: We will now proceed to public bills.

Mr. Foster: On a point of order, Mr. Speaker, I believe there is general agreement to proceed with Bill C-104 standing in the name of the hon. member for Prince George-Peace River (Mr. Oberle).

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS PUBLIC BILLS

[*English*]

CANADA LABOUR CODE

AMENDMENT TO PROVIDE PROTECTION AGAINST COMPULSORY UNION MEMBERSHIPS AND DUES DEDUCTIONS

Mr. F. Oberle (Prince George-Peace River) moved that Bill C-104, to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I wish to speak on the subject of Bill C-104, an act to amend the Canada Labour Code. May I say that I do so against the advice of my friends and supporters, against the advice of my business colleagues, against the advice of my solicitor, and I have not even checked it out with my colleagues in the House of Commons. However, Mr. Speaker, I will put those who are timid and afraid at ease at once by saying my comments are not directed against labour unions in Canada. They are directed against businessmen and politicians who, in the interests of political expediency, in the interests of profits, have sold our Canadian labour force down the drain. They have done so, first of all, by allowing giant unions from outside our country to gain a stranglehold on our Canadian work force, but only in the most lucrative sectors of employment and only in the industries that can support the demands made by these giant international unions.

I would like to state that my argument is not based on one-sided experience. I have been a member of the International Woodworkers of America, and for a great number of years I have been a member of that other great union, the Mine, Mill and Smelter Workers. Of late, however, I have gathered experience on the other side of the fence, and it is about this fence that I wish to talk.

It is this fence which keeps people of good will, of common goals and common interests, divided here in Canada. It is this artificial barrier that makes people on both sides set off on a course of confrontation and open warfare. It is this fence that prevents us from sitting together as intelligent people in an attempt to solve some of the great problems facing our nation, problems not at all related to everyday business-labour relations, but problems directly resulting from this warfare and confrontation raging within our country. I blame these barricades directly for part of the inflation which has become a serious threat to the survival of our monetary system, and for their effect on our cost of living which has such devastating effects on Canadians who do not have access to membership in a union or business and, as a result, cannot use the tool of lobbying or political pressure to further their aims.

The lack of a national identity is a direct result of this barrier, because we have nothing to offer our society to identify with as long as the smartest people in our land live on two sides of a fence, in open conflict with each other, and using every means at their disposal, but most of all politics. Political philosophies have become distorted by this confrontation, as we have resorted to identifying one side or the other with capitalism or communism.

We are confronted with strikes and picket lines because, as a government, we have not insisted on effective tools to

settle disputes. We allow the tolerance of both sides to be tested to the breaking point. As a government, we are in a hopeless position because 55 per cent of the country's labour force works for the government in one way or another. We are the worst offenders because of the unfair and discriminatory practices we apply in dealing with the thousands upon thousands of Canadians who work for us in the civil service or in our Crown corporations. Surely, it should be our first responsibility to set an example by which modern labour legislation could be worked out.

Surely, there must be ways by which the government could earn the respect of its employees, so that the threat of strikes and open war is eliminated, at least in essential public services. And it should not be too difficult for us to identify essential public services. Simply, they are the services which the people of Canada have requested their government to operate, because they could not trust private enterprises to supply these services without interruption. We have stepped in and, in some cases, confiscated private business ventures because it was in the interests of our country to ensure control. But then, Mr. Speaker, we have turned control over to someone else, someone who, over the years, has equipped himself with more power to manipulate the welfare of our nation than the private businessman ever dreamed of possessing or ever wanted to possess.

May I use the rail strike of last year as an example. I was one of those members of parliament who were honest with their constituents. I said openly that, in my opinion, strikes in essential public services should be illegal. I said that we could not afford to put in jeopardy the safety, health and comfort of our people, and the very survival of our nation, by indulging in conflicts which are costly not only to government and to unions but also to wives and children, to the sick, the poor and the old—in other words, to all those who are in the least involved.

One of those wives wrote to me recently, and I quote from her letter—incidentally she is from British Columbia, from which I also hail:

> How many roles are being reversed in this, our glorious B.C., when the wives and mothers are forced, by the atrocious situations in their husbands' union, to go out to work and bring home the bacon, while husbands babysit and roam the streets? I believe in the right for women to work, if they want to, and when their families are grown. But, when I see strong, healthy men doing nothing to fight for their place in society and letting their union executives rule their lives like kings and the members just following along like little lambs, never complaining, just wondering why they are more and more out of work, it makes me boil.

And, Mr. Speaker, it makes me boil too, but I did not have to be afraid to state my views to my constituents who were on strike against the CNR, because I explained to them how I would protect them from having to take a seat on this vicious merry-go-round and from that competition through which everyone loses. I told them that employment conditions in essential public services, at the beginning, should be tied to factors established by private industries and their unions, but that eventually and more ideally the public service, through meaningful, consultative negotiation with the government, should be setting the standard by which those in the private sector would settle their differences.

[Mr. Oberle.]

But really we have gone too far for all that, Mr. Speaker. The same woman to whom I referred previously also wrote:

> Some unions and their executives have eaten away at the very souls of our men and husbands. They have taken away their self-respect and have corrupted them by encouraging situations where men must lie, cheat, or pay to get jobs to feed their families.
>
> By allowing this to continue what kind of example are we showing our young men who are ready to go out into the labour force without skills and ambition and the pride necessary to do an honest day's work?

● (1710)

> As a wife of a construction worker for six years now, I have watched the power a man's union has over him. It can be for good or for evil. But in our case it is the latter. The only good that has come out of it, is that it has opened my eyes to the real problem in our society. A society is only as good as the people who make the politicians make it. And a union is only as good as the members who make the labour leaders make it.

We have spent a hundred years correcting the sins of unscrupulous and irresponsible business tycoons who certainly were responsible for acts of slavery and worse. But, we have been so preoccupied doing that, that we have overlooked the power the unions and their leaders have accumulated in the process. Human nature, Mr. Speaker, not only applies to business people, it is something which is applicable to others with too much power as well. Unions are still a very vital part of the business of labour relations but, not in the role they have assumed today. They are controlling the only resource a nation has, its responsibility to its labour force and the productivity of that labour force.

Unions are not weak and helpless any more. They not only have developed political muscle unmatched by any other sector of our society, but they also have accumulated almost unlimited financial wealth through pension funds dues and payoffs. But that is not even the real problem, Mr. Speaker. The most frightening aspect of all is that this wealth and power is, to a great extent, controlled from a foreign land. I am quoting from a Canadian press story, making reference to the annual report of the Corporations and Labour Unions Returns Act. The article which appeared in the *Albertan* of November 5, 1973, reads:

> United States-centred unions in Canada collected nearly twice as much money in 1971 as they spent in this country in certain key financial categories, the latest issue of a controversial annual government report says.
>
> The Corporations and Labour Unions Returns Act (CALURA) report for 1971, released Friday, shows that international unions paid out $25.6 million in salaries, strike, pension and welfare benefits to Canadian residents while collecting $50.6 million in dues and assessments.

Why, Mr. Speaker, do we not have the guts to speak out and issue warnings to our citizens about that? We have no hesitation about condemning and confiscating business controlled by foreigners in order to protect our sovereignty. Just how much more of a threat to our sovereignty today, Mr. Speaker, is foreign control of our labour force? We have had practical demonstrations of what happens to a country, or I should say our country. When the picket signs go up, there is no mercy. The survival of the business is not debated any more. But remember, Mr. Speaker, my conflict is not with the union, my conflict is with government and business. It is business and government that have established the climate in Canada which allowed

unions to assume such powers and abuse them, because, remember, Mr. Speaker, that is only human nature and human nature makes people do those things.

Let me give you some examples of what my bill is supposed to eliminate. As you know, Mr. Speaker, several of the major unions in Canada, and mostly the ones controlling the construction industry, operate with complete control. That means they hire and fire and set their own remuneration for the service. If you do not belong to the union you do not get hired, no matter how hard you have looked for a job, how competent you are or how much you need a job. If you fall out with one of the union leaders, you not only get fired but you also get blacklisted and you will have to change your vocation if you ever want to work again in this country. Is there a tribunal, a hearing, a court action, a right to appeal—why, of course not. Is there any protection under such a thing as a Canadian Bill of Rights or a minister of labour—well, of course not.

One such unfortunate fellow writes to me saying:

> Mr. Oberle, I will never be able to work in my trade again. My wife and kids will be starving before I get another job. I have written to the minister of labour in Victoria and Ottawa (letters enclosed). They have turned me down. For God's sake, do something.

Well, Mr. Speaker, I also have the letters the ministers wrote and I will indulge by submitting them to the record as well. On November 14, 1972, the British Columbia minister of labour replied:

> Thank you for your letter of November 1 having reference to problems you have encountered with the Tunnel and Rock Workers' Union, Local 168.
>
> It would appear that the problems which you outline are essentially internal union ones, and not a matter for involvement of the Department of Labour.
>
> I am, however, taking the liberty of referring your letter and attachment to the appropriate officer of the department, for study. If there proves to be a basis for any further action, I shall contact you accordingly.
>
> Thanking you again for taking the time to write to me in this regard, I am,

Obviously, there was no basis for any further action because this letter was written in 1972 and there has been no correspondence since.

The other letter is from the Canada Department of Labour under the minister's signature and reads:

> This is further to my letter of April 24 concerning the complaints of Messrs. Nescar and Gervais.
>
> I have had a report from my Vancouver officers and I am told that the complaints have been previously taken up with the provinical authorities and that as recently as February 19, the Honourable W. S. King, provincial minister of labour, has taken the position that these matters fall within the internal administration of the union and that his department has no basis for intervention.
>
> In the circumstances, you will appreciate that there is nothing that I can do as federal Minister of Labour, to assist the complainants.

Well, Mr. Speaker, would you have expected a different answer from the two labour ministers—of course not. Under what law would they act, unfair labour practices? That only applies to unscrupulous businessmen.

Let me relate to you a personal experience which involved a government appointed mediator appointed to settle a dispute not between my company and the union, but the work force of my company and the union. The dispute, Mr. Speaker, resulted over the fact that not a single employee in our plant had the privilege of being asked whether or not he wanted to join the union. That was settled between the B.C. government—and may I say that it was the former B.C. government that made the settlement— and a union, not after the plant was built and in operation but before it was built and in operation. The decision was made to sign a union agreement with people who were not part of the labour force of my company. My colleagues, my lawyer and myself were meeting with this person who posed the questions to us about whether our intention was merely to build up the business to sell or whether we intended to make a career of it. His advice was that if the former was the case, we could become quite the heroes if we held out, but if it was the latter we should sign up because if we did not the union would break us.

Well, Mr. Speaker, I had more faith in the integrity of that union than the British Columbia government had at that time. I had to have because my neck was stretched into the front door of the bank 36 inches. The manager's office was right beside the door and I could visualize a big long knife under his desk. I have little to offer to that industry but some principles and I intend to stick with them. We have still not been able to sign an agreement with the union and our men are denied the benefits of union affiliation. The only thing the certified union ever did for them was to hold repeated strike votes which the work force always turned down because they simply did not have a choice whether to sign or not.

● (1720)

Meanwhile, the union keeps negotiating and the only contract it will sign has a union, not a man or business security clause, which prescribes that we may do the hiring all right but that, if the man has not joined the union after 30 days of his employment with us, we must fire him. Now, Mr. Speaker, how do you fit that into the Canadian Bill of Rights? I am compelled, as a businessman, to make it a condition of employment, at a time when six per cent of our labour force is looking for work, that a man must become a member of an organization which is controlled from the United States.

You know, Mr. Speaker, interestingly enough, I have argued the justification of such a clause with some of the union bosses. I even remember arguing on the other side when I was a member of a bargaining committee with the mine, mill and smelter workers. One fellow told me the other day that if only a portion of the men would sign up and pay, the others would get a free ride and all the benefits of the bargaining process. He compared his union with the institution in which I am now speaking, Mr. Speaker. He said—and it almost made sense, because it would be fair to say that the unions are second in this country, in power and control, only to this place—"If I voted NDP and the Liberals got into power, I should not have to pay taxes." I am just about prepared to go along with him on that, if what he said would hold true for the Conservatives as well. Yes, Mr. Speaker, this is how far it has gone. So powerful are some of these unions today that they confuse themselves with a democratic institution.

How did they obtain this power? Well, let us look at the pension plan. I am, as an employer, compelled to deduct—

Mr. Speaker: Order, please. I interrupt the hon. member, to tell him that his time has expired. He may continue if he has the consent of the House.

Some hon. Members: Agreed.

Mr. Speaker: Is it agreed that he continue?

Some hon. Members: Agreed.

Mr. Oberle: Thank you, Mr. Speaker, and I thank my colleagues. As I was saying I am, as an employer, compelled to make deductions for the union in connection with the pension plan, even though less than 30 per cent of the membership will ever benefit. Why? Because you must be in the industry for at least eight years. In most northern areas of Canada people only work in the construction or wood industries for a certain period of the year to supplement a farming venture or some other small business. So, such people are making a donation to a nice, neat, powerful block of wealth. They know little about the administration as, in many cases, it is carried out in the United States.

Well, Mr. Speaker, the government of the day demands speedy passage of a foreign investment bill which would stop foreign interference in the sale of eight locomotives to Cuba—imagine the Cubans wanting to play railroad! However, no one ever dares to look at the books of some of the great unions, to find out in what way the Canadian people are forced to spend their money. I wonder what happened to the $50 million which in 1971 went to the United States.

If this institution, Mr. Speaker, has been given any mandate by the Canadian people, it is a mandate to make sure that no one single person or group obtains too much power, be they business, church or, oh yes, union. It is then up to the people of Canada to keep us honest, so that human nature does not influence our deliberations, as might happen if we are allowed to become too powerful.

You see, Mr. Speaker, I grew up in a country where fat and lazy politicians and a greedy, arrogant business world allowed a third group to assume too much power. We all know that this world will never quite recover from the ensuing results. My father was a workman who protested against his union leaders. I will always hear the sobs of anguish, pain and despair which my mother tried to hide from us kids when we had to leave our home and move to another country. But I can also speak of the pride we feel for having questioned the system.

Well, Mr. Speaker, I wonder if it is not time to question the validity of some union agreements in Canada today. Since I have spoken out I have received literally hundreds of letters from various places, all lending support to my argument. The press is responding. It is not uncommon to see reports such as I have in front of me. One headline reads, "Tunnel, rock union picketed by workers". Another reads, "Union bitterness still not finished". Still another says, "Workers picket their own union". I will not read the articles. Oh, how I should like to provide some of these people with the opportunity of presenting their case before a standing committee of the House of Commons; for they, too, have a right to protection under the law. Of course, my colleagues will very likely assure themselves that this will not happen, that we are no different from the ordinary politician, so why rock the boat?

The irony is that it is only human nature—I say this because of the union security clause, the blank cheque and government protection—which affects seriously the service one would expect unions to provide to their membership. The only real services the unions offer today involve services established by the government, services like those provided by Manpower, on the job training and other similar services.

Let us consider the pension plan for a moment and talk about the 30 per cent who qualify. When that faithful member who is in that bracket retires, he might well end up with a pension of $65 per month. My hon. colleagues know, of course, what happens to that $65. Our friend will get his basic old age pension of $107 per month. In addition, he will qualify for an income supplement of $77 per month which shrinks, however, by $65. All he will have left is $12. So, he will get no more and no less than anybody who has never contributed to such a plan.

However, it gets worse. If we suppose that the pension exceeds the $77 and our friend is married, the government will combine the income of the married partners and take the rest off his wife. How many of my colleagues ever had a representation from any union protesting that kind of confiscation? Why should they have paid? The union had the benefit of the members' savings and will continue to get it. The same holds true, of course, for the guaranteed dues. Why should one fall over himself in the service of his fellow man if the cheque is guaranteed in any case?

My fight on behalf of the workman in our plant, Mr. Speaker, has earned me an action in the Supreme Court of British Columbia. I am, for this reason, reluctant to relate my own experience. All the same, I hope and pray that my tenure of office in the House of Commons will give me the opportunity, even if not today and even if my bill does not reach committee, to bring the case of thousands of unfortunate Canadians to the attention of the public, even though the government in the interest of expendiency will ignore their plight.

It is wrong, as a condition of earning a livelihood in this country, to force a person to join a union, church or other fraternity, and then to force that person to have a portion of his earnings deducted from his pay. We can only make the union movement in Canada effective if we remove this type of discrimination. My bill provides for that. It would take the first and most important step in tearing down the barriers to which I referred earlier. If passed, it would give the manager the opportunity to visit the lunch room and discuss his business with people who know much more about their jobs than he does. Conversely, the employee will have the means to communicate directly with management if he is not in his union's confidence.

I hope that my colleagues will have the intestinal fortitude to act before it is too late.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, the hon. member for Prince George-Peace River (Mr. Oberle) followed a long road this afternoon before coming to the point with which his bill deals. He seems to be disturbed by something that took place in British Columbia. The example he referred to comes under provincial jurisdic-

tion, I think, not under federal jurisdiction, and that condition would not be corrected by the bill he is proposing for consideration this afternoon. He seems to be most disturbed by the power of unions and seems to think that his bill somehow will enable us to consider the question of Canadian unionism as against international unionism.

• (1730)

The hon. member is asking for model legislation. He feels we have not yet found an effective tool for settling disputes. He is against business tycoons and foreign control of our labour force. On the other hand, we find that at the centre of the hon. member's bill is an extremely interesting concept, one which can be debated without raising all the other elements I have mentioned. It concerns the responsibility of an individual who chooses not to join an organization which benefits him. The hon. member apparently believes that an individual who, in his work, enjoys the advantages of wages and fringe benefits which are the result of a lengthy and elaborate process should not be obliged to contribute financially to the support of the union which represents the collectivity of employees.

This is a view which is shared by others. We have heard it put forward by organizations which base their representations on religious grounds. They argue that certain religious convictions, if sufficiently strong, should excuse an individual from the obligation to join. It so happens, however, that economic conditions have improved and that society has done very well as a result of the ability of employees to organize themselves. Unionism is not a phenomenon limited to non-professional workers. There are many well-established unions among professional people such as doctors and lawyers who have found it desirable, though in a different manner and using different techniques, to group themselves in a way which permits them to defend their interests and also to provide, I suppose, for certain standards of performance in the interests of their own reputation and, supposedly, of the public at large.

If we were to accept the proposal put forward by the hon. member for Prince George-Peace River, it would mean that certain individuals would not be obliged to contribute to the bargaining units to which they belong, and their employers would not be under an obligation to make the relevant deductions from their pay. It seems to me that if we weigh the pros and cons of this issue it will be seen there are great weaknesses arising from any decision which would permit this to take place. The union or bargaining unit representing the workers would no longer be able to come to the full support of those represented by it. Moreover, it would be reasonable to ask why a man or a woman who is deriving a benefit of some kind from the work of a union should be excused from the reasonable burden of contributing in the form of dues and fees to the maintenance of the bargaining unit which is working in the interest of the group, including the individual concerned.

Some hon. Members: Hear, hear!

Mr. Caccia: It does not take a genius to see this side of the question. I was somewhat disturbed to hear the hon. member describe unions as though they were monsters, as though they were entities beyond control, as though they were not, in reality, the sum total of the individuals who were trying to form and run a reasonably democratic institution. In the end, a union is simply an organization of human beings; it will be as good or as bad as the people who form it.

When the behaviour of a union leaves something to be desired, it is usually because its members have failed to take an active interest in its operations, failed to attend the regular meetings of their local or to take an active part in the organization. Of course, this applies not only to unions but to all organizations of human beings. To conclude that unions are negative entities, or something to be afraid of, is to display a lack of understanding of what the union movement is all about.

As I say, the hon. member has raised an interesting point for debate. I imagine it was discussed 100 years ago and I would not be surprised if it were discussed for years and years in the future. It really comes down to the rights which an individual should enjoy in society. In my opinion, the amendment which the hon. member proposes is not acceptable.

• (1740)

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I rise to oppose Bill C-104, and I do not think that catches the House by surprise. Frankly, it is beyond my comprehension why the hon. member for Prince George-Peace River (Mr. Oberle) would even attempt to introduce this regressive amendment to the Canada Labour Code, except that I notice that in the Parliamentary Guide he is listed as a businessman in the town of Chetwynd, B.C. I can only assume that he is engaged in monkey business in Chetwynd, because that is what his bill smacks of to me. Frankly, it will not help one bit his petty little beef with the union in his industry.

As the previous speaker said, this amendment would only cover workers under federal jurisdiction. All the outpourings of grief on the part of the hon. member dealt with unions certified under the labour legislation in the province of British Columbia. It seems to me that what the hon. member is really after is to make an obvious and blatant attempt to weaken and destroy all trade unions falling under the jurisdiction of the Canada Labour Code, which proves to me that the hon. member is tremendously anti-labour, and consequently anti-worker, in spite of his protestations that he was not rising to make an attack on trade unions, the workers, but was going after employers and others. I did not hear any comments in his speech that were not directed against trade unions and against the workers. For the whole of his 20 minutes, that was the diatribe I listened to. This really should not surprise me because I have ascertained since coming to this House that the great majority of the members of the Tory party fall into exactly the same category—anti-worker and anti-labour.

I was active in the labour movement in the hon. member's province, namely, British Columbia, for over 30 years before being elected to this House and I feel I am more than qualified to speak on this subject. The hon. member stated that he had been a member of the IWA. I joined the IWA in British Columbia in 1939, and I am still paying my $8 a month dues into that organization, even though I

could take a withdrawal, because I want to participate as much as I possibly can in one of the most democratic organizations anywhere in the world.

When the hon. member speaks of lack of democracy and shows contempt for anyone who suggests comparing the trade union movement with this House, it becomes obvious that he has never participated in the affairs of any union, or he could not possibly have made those statements. My union, the International Woodworkers of America, is an international union. He decried the fact that we had international unions, but I did not hear him mention once that the parent body of just about every employer with which the international union deals in British Columbia is located in the United States. They are all U.S. companies, and if anyone suggests to me that we should not be working together, on both sides of the border, against these monstrous employers, then I say he does not know what he is talking about.

Let me tell the hon. member, since he wants to talk about democracy, that in the IWA, as in nearly every union, officers are elected by secret referendum ballot, from the international president down to the local officers, the regional officers, the business agents, the shop stewards on the job, the committee members and safety committee members, as well as any other position in the union that you can name. They have campaigns that members in this House just could not believe as to politics, campaigns that are much more bitter at times than any federal, provincial or municipal election campaign, but nevertheless in the main they are good, honest, democratic election campaigns.

When I started work in the province of British Columbia in 1939, I went to work for the largest company in the province and one of the largest in the world. At that time there was no union, and it did not take me long to find that I was subject, as were all the other workers, to the whim not only of my foreman but my superintendent, the manager, the general manager and anybody else who took a dislike to me. There were times when I had to pay the foreman on payday either $5 or give him a bottle of whisky to keep my job in the industry. In 1939 jobs were hard to come by, so you did what you had to do. Conditions were absolutely atrocious. Wages were bad and so were living conditions. The only thing that was good in the logging camps in those days was the food, and I will say we had the best food. But as for the rest of it, it was absolutely atrocious.

The first union organizer showed up in the logging camp that I was working in and I took union cards from him and went round to sign up workers I was engaged with. I was fired four days later for union activity. This is the situation the hon. member is trying to bring back. Frankly, if he has his way with this kind of amendment, then all an employer has to do is to make darned sure that every new employee that he hires is anti-union, and under the existing legislation it would not take very long for that union to be decertified. Then we would be right back to where we were. Frankly, Mr. Speaker, this is eighteenth century legislation that the hon. member is proposing. It is not even nineteenth century legislation, leave alone twentieth century.

[Mr. Neale (Vancouver East).]

People are still telling me what the hon. member said, that maybe unions are not as necessary as they used to be, since employers are now enlightened and would not dare treat their workers as they used to treat them before the advent of the labour movement. I have had practical experience of these enlightened employers, Mr. Speaker, and I should like to cite to hon. members just one example.

There is a large forest products company in British Columbia called Canadian Forest Products. It is the only B.C.-owned company in the province, except for some small ones. We organized that company after a very difficult struggle and I assisted in that organization. Finally we got a contract. We have had some difficulties with the owners of the company over the years, but in the main they have adhered to the finest contract in the woodworking industry to be found anywhere in the world. The workers are the highest paid, the best working conditions, the best fringe benefits of any workers anywhere in the world, and these benefits were negotiated by the workers through their elected officials representing them at the bargaining table.

This company bought a sawmill that was in existence in the province of Alberta, and the IWA once again went into that province and organized the company. The same employer, who was then paying the minimum wage in the province of British Columbia, $3.25 an hour—this was some years ago—was paying $1.35 an hour base rate in the province of Alberta. The International Woodworkers contract only called for $1.85 base rate in Alberta, and this company refused to pay it. The union was forced to strike the company. The strike lasted one year and then it was broken. The same employer that we had in the province of British Columbia—this enlightened employer—destroyed the union there, and only just recently, after some four years, the union went back in there with certification and is trying to get a contract. So no one need tell me that employers have changed in any way.

What most people do not understand, Mr. Speaker, is that we live in what is called a free enterprise society. In my opinion, it is neither free nor enterprising when you consider the combines investigations and fines paid by monopolies, cartels and multinational corporations. But despite this it is called a free enterprise system. The labour movement—I have been criticized for saying this—is a necessary evil in the free enterprise system. The late President Roosevelt said that if he were a worker, the first thing he would do would be to join a union, because under the system that was absolutely necessary. John Paul Getty has said many times that he would rather deal with organized workers in a union than try to deal with them individually.

We have an adversary system. The employers, the owners of industry, invest their money for only one purpose; that is, to use our natural resources and our labour and make a profit through the production of a product at the cheapest possible rate for resale at the highest possible price. Conversely, Mr. Speaker, the labour movement's role is to get the highest wages possible for the people they were elected to represent and negotiate for, and to obtain the product at the cheapest possible price. So there will always be a conflict. If the hon. member for Prince George-Peace River thinks that conflict will disappear,

without the trade union movement being totally destroyed or forced into compulsory arbitration, he does not know what he is talking about.

● (1750)

The trade union movement has been condemned for many years by the news media, by every chamber of commerce and by every anti-labour person in this country. We admit that in the labour movement we do not have a very good public image, and that is to be expected. The news media itself must negotiate with unions. They do not like unions and they do their damndest to paint as black a picture of us as they possibly can. The only way trade union leaders could become nice people in this country would be if they abdicated their responsibility and sat down quietly with employers and accepted anything they offered. You must bear in mind that if they did that, they might get nice press coverage but at the next election of the local, the region or the international they would be put out of office and out of a job because the workers would not stand for that kind of trade union leadership. I would not blame them and would suggest that the leaders be removed.

Let me touch upon a couple of things the hon. member for Prince George-Peace River said about unions. He said that unions were foreign-controlled. There are many unions in this country that are Canadian, and there are some in respect of which the members opted to affiliate with international unions. Had it not been for the international unions coming into this country many years ago to help organize by providing experienced organizers and by putting up the money to fight these monstrous employers, with all the money and brains they had at their disposal, we would not have in Canada the trade union movement we have today.

The hon. member said that only the wealthy industries were unionized. I suggest that he go to Winnipeg and Montreal and look at the clothing industry, where employees are organized and are paying dues to a union. They are among the most poorly paid employees in the country. He should also study the canning industry in the province of British Columbia, another of the poorer paying industries, where the Union of Fishermen and Allied Workers has worked for many years to organize and improve the lot of the workers.

The hon. member also spoke about inflation. It took us years to convince members on the other side of this House that wages were not responsible for the inflationary spiral, and the Prime Minister (Mr. Trudeau) admitted that the other day. We are still dragging behind, with the Tory party using the same stupid arguments that we have heard for years. The Economic Council of Canada shot that argument down in flames. Even the public relations man from the University of British Columbia hired by a previous government to try to convince the people of Canada that wages were responsible for inflation refuted that suggestion. He admitted that wages are not the cause of inflation in Canada.

The hon. member spoke about the power of the unions. I suppose he does not know that less than one-third of the workers in Canada belong to a union; that two-thirds are still at the mercy of the beneficent employers he was talking about, and have no protection. The only way they receive any assistance in the way of wage increases is after a legitimate union has negotiated, and sometimes has gone out on strike, with the workers suffering before getting an increase. Then the employers of non-organized employees grant a relative wage increase.

The hon. member also spoke about union executives running the lives of their members. Let me tell him, through you, Mr. Speaker, that every time there is a strike in Canada there is a secret ballot conducted and every member of the union votes whether he wants to go on strike or not. I am sure they must have been anti-union employees the hon. member spoke about when he referred to those who have constantly voted against strike action in order to leave the union in a precarious position. By law in this country, every time there is a strike there must be a secret ballot and the rank and file members of the union decide whether to go on strike. The leaders cannot pull them out on strike, as was suggested by the hon. member.

I have spoken about democracy because the hon. member referred to it. Let me say that in my honest opinion the most democratic organization I have ever belonged to is the trade union movement. This bill is only an attempt to drive us back to the eighteenth century. The hon. member also referred to union shops, closed shops and the Rand formula. These conditions took a long time to come into being in this country. They were developed step by step with, first, the open shop, then the Rand formula and then the union shop, in some instances a closed shop. These conditions are absolutely necessary in this country because of the situation we face respecting employers in North America as opposed to those in European countries. Employers in Canada and the United States still feel that the trade union movement is like a plague of locusts, and if they keep on fighting them they eventually might go away. They continually try to weaken the unions, and with the assistance of people like the hon. member for Prince George-Peace River they just might be able to do that, particularly if this kind of legislation is ever allowed to pass.

Mr. Speaker, I see that my time is just about up. I would urge reasonable and sensible men in a free, democratic country to allow free, democratic workers to make their own decisions. I thought the hon. member was quoting me when he spoke about paying taxes, because I have used that argument many times. If 90 per cent of the workers in a plant want to join a union, why should the other 10 per cent sit on their butts and inherit all the benefits negotiated by the representatives elected by 90 per cent of their members? No one in his right mind, as far as I am concerned, can argue against the union shop or the Rand formula.

We have a strike on right now because a U.S. company threatens to close its doors and move its operation back to the United States because in the United States the employees have no union security. The company is hoping to smash the union. This should never be allowed to happen in Canada.

I see that you are about to rise, Mr. Speaker, so I will conclude my remarks immediately. Let me just say, in closing, that I have been a member of the trade union movement for 30 years and a trade union leader for 25 of

those years. I am proud to say to anyone in Canada that I have been a trade union leader, not just because trade unions have given our people many benefits and more money but because they have given them dignity, which is something we never had before the advent of the trade union movement.

Mr. Speaker: Order, please. The time allotted for the consideration of private members' business having expired, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, ADMINISTRATION AND OFFENCES

The House resumed consideration of the motion of Mr. Gray that Bill C-7, to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I would first like to congratulate the hon. member for Trinity (Mr. Hellyer) for his excellent speech this afternoon; I thought it was an extremely thoughtful contribution. I would also like to congratulate him for having changed the Conservative Party's position on combines. It is a very convenient approach to have the hon. member for St. Paul's (Mr. Atkey) lead off with sort of faint praise and indicate his support, and then have the hon. member for Trinity, with the rest of them following through, condemning the whole combines legislation approach which I think a Conservative government was very instrumental in enlarging.

● (2010)

I agree generally with the analysis of the hon. member for Trinity, although there are some exceptions to my agreement. One of those exceptions is the attitude he took toward condemning big unions as contributors to inflation. When you talk about big unions, you talk about auto workers, steel workers, packing house workers and oil and chemical workers. If he would look at the record, he would find that in those industries price increases have been among the lowest in this country, mainly because their productivity has been rising substantially. To say that those unions have contributed to inflation is contrary to the facts.

[Mr. Neale (Vancouver East).]

There are some difficulties, and I am surprised the hon. member did not point them out and how they arise in creating an inflationary atmosphere. The real problem is not in industries where the big unions exist; it is that other sectors of our economy cannot match the productivity increase in steel, automobiles and chemicals, and therefore as they seek to obtain commensurate benefits the pressure in the service industries contributes substantially to inflation.

In looking at the combines legislation, it seems that the members who have come to the defence of the bill are using the argument of all kinds of small benefits to support the legislation. The small benefits that they trot out, no matter how you total them, are still small benefits. A whole bunch of zeros multiplied by zero still comes out as zero. Frankly, I found it very difficult to understand either the ferocious opposition to the legislation by the business community or the kind of support for the legislation by some academics who have been to my office urging me to support the bill.

So far as business is concerned, it seems to me that if this legislation does anything, it protects business because it really obscures the problems created by business in our society. If anything, it simply puts a price on their misbehaviour. It does not make it impossible for them to misbehave, nor does it allow their misbehaviour; it simply says: If you do this, we will impose a penalty on you and you will pay a price for so doing. That is not a bad deal for business and I find it very difficult to know what they became so excited about.

The one area given to business as a concession, and which I presume reduced their opposition, was the section that now says directors of a corporation will not be held liable for the actions of the corporation. This is ironical in a way, because for years the same people have been arguing that trade union leaders should be held personally liable for the actions of trade unionists. Then at the first opportunity they get, instead of really continuing the argument about holding people responsible and liable, they simply say: We want to be exempted as well. So another of their favourite arguments has gone down the drain.

I do not see how consumers will benefit in any substantial way. Many of the things the bill sets out to correct, such as bait, switch and pyramid selling, do not involve many consumers. How many consumers are really involved in pyramid selling? You must have an enormous streak of stupidity in you to go for one of these pyramid sales clubs. The only people I know who were trapped were people who were persuaded that they would make a lot of money without having to make much effort. Perhaps we should have laws protecting people from their own cupidity. It is probably just as well to have something like that, because occasionally somebody relatively innocent may be trapped in that kind of swindle. This is the kind of swindle that an ordinary person sees through very easily. Most of the people who get caught in it are looking for a fast buck themselves and I sometimes wonder how much sympathy should be extended to them.

The academics, of course, will have another field day. Some of the academics in Canada have made their living from describing the combines legislation, enlarging upon

it and calling for tighter controls. Usually they argue: We need more teeth in the legislation. It is a sort of cops and robbers approach. They say: We must make it tough; we must strengthen the combines legislation. Some of them, I suspect, wrote their first essay in politics or in economics on combines legislation, then developed it into an MA thesis and then into a PhD thesis, and they have lived off it ever since.

However, this is not really important legislation and it is hard to vote against the bill because it does provide a few minor benefits, just as it is hard to vote against anything of a motherhood nature—and this is obviously a bill of that type. I listened to the defence and found that it was of a minor kind. Government speakers who told us how valuable the bill is were really making an effort to put together a valid argument in support of the present combines legislation.

I have reservations about this bill. If it were just a minor bill with minor benefits in it, there would be no great cause for complaint. We see quite a few of these bills in the House, and one might argue that any improvement is worth supporting. On that basis the bill is probably worth supporting because it provides some minor corrections in our society. But it seems to me that a very serious problem is involved in the entire concept of the combines legislation as we now know it, and just trying to correct it in a minor way does not take care of the problem. The combines legislation, in my view, stands in the way of our society facing up to the need to find serious answers to serious economic problems. It merely obscures those problems, rather than casting light on solutions to them. In that sense I agree with the hon. member for Trinity who said much the same thing.

The combines legislation has never worked. There is no evidence that it has ever been effective. Those who have been caught and prosecuted under the combines legislation, or by the restrictive trade practices group, should have been prosecuted not because they contravened the legislation, but for idiocy—because you have to be an idiot to be caught and prosecuted under the legislation in the way it is drafted. If you look at how these prosecutions arose, you will find that in some cases contractors held a meeting, and because they did not trust each other they kept minutes of the meeting or called accountants to clarify the meaning of the agreement they had reached. On one occasion when the bids were opened a record of the meeting, with the prices upon which they had agreed, fluttered out with one of the bids. With evidence like that, this group was prosecuted. There are many examples of that type. We have had prosecutions in the glass industry and the paper industry; but look at those industries today. Prices are identical right across the board. There is not one paper company, one glass company, underselling another. What has been really accomplished by the prosecutions which have taken place in the past?

● (2020)

We live in a society where oligopoly is the rule, rather than competition. That may be one of the reasons I reacted so favourably to the description given by the hon. member for Trinity of how oligopolies work and how business agreements are made. He was in business, Mr. Speaker, and I was in business. Both of us know that this is done without sitting down and holding formal meetings in order to get agreement. I am sure neither he nor I participated in that kind of endeavour, but we have seen it take place often enough either over lunch or on the golf course. Somebody in the group says, "We cannot go on like this; we will have to raise prices." There is always a leader who raises the price and the others follow suit.

This advantage always belongs to an oligopoly. Under those circumstances, you cannot get a conviction. In circumstances of that kind, in an area where there are relatively few sellers seeking to protect their positions, it poses a worse situation for society to deal with than a monopolistic situation. Consider what happens when an industry is a monopoly. Take the examples of the Bell telephone company and the gas transmission companies. Obviously they are in a monopoly position, and obviously the government has to step in and do some regulating.

Of course, if there were a number of telephone companies I am sure we would not have any regulation of telephone rates. I am convinced that rates in Canada would be infinitely higher and that telephone service would be infinitely poorer. In a way, this is a kind of heretical thinking, but if you ponder the century we are in, the kind of technology that exists and the size that companies have to be in order to take advantage of that technology, it is clear that we must indulge in thinking which is different from that of the past when dealing with these matters.

Sometimes people talk about competition between banks, but the minute one bank announces it is going to raise interest rates by half a percentage point, all the other banks follow suit. Then when you get representatives of the banks before a committee of this House and you say, "Here is clear evidence of collusion because you all raised your interest rates; the day bank A's rate went up in the morning, it was followed by bank B in the afternoon and then there was a long drag, maybe for one day, before the others followed suit," the response of the banks is, "That is really an example of perfect competition." What they are saying is that if competition is perfect, everybody will be charging the same rates because they are all responding to the same market forces and, as a result, must charge the same rates.

Would we not be further ahead if, instead of pretending to ourselves that it is possible to have competition in the banking industry, we legislated the spread between what banks can pay and what they can charge for money? It is pretty hard to legislate what banks will pay for funds, because that tends to respond to international economic situations. But we can legislate the spread and say they are entitled only to a certain difference between what they pay their depositors and what they charge those who borrow from them. However, we are not willing to do that. We go on pretending that in some strange way we can make the banks compete with each other.

Other examples come to mind. Just a few years ago General Motors came out with a price increase. They were followed within a day or so by the other automobile manufacturers who increased their prices by the same percentage. But for some reason or another General Motors decided that their price increase was a mistake and they reduced the amount they were going to charge for

their cars. Again, everybody else in the industry followed suit. I am sure General Motors would argue, as the banks did, that that showed we have a competitive society in which everybody responds to the market forces. That is one interpretation. I think a more realistic interpretation is that in every industry, particularly industries characterized by large firms, there is a price leader, and it is not market forces which firms are responding to but the price leadership of the largest, strongest firm. Whichever way that firm goes is a signal for all the rest of them to go in the same direction. Anything else is suicidal. Who wants to pick a fight with General Motors? I do not think there is any firm in the automobile industry prepared to do that. The others don't mind nibbling around the edges to get an advantage here or there, but they know that when a firm reaches the size of General Motors, you don't fight it any more; you co-operate with it.

Sometimes it seems as though General Motors have a policy of keeping their competitors alive. I often wonder why, with their strength, they do not drive every other manufacturer out of the field. They have such a large share of the market that they could drive every other manufacturer out of the field. But if they did that they would then become a monopoly, and being the only one remaining in the field they would be subject to government regulation. It is much better for them to allow a few competitors to exist with lower profit margins, in order to enable them to take higher profits that they would not get if they were regulated by government.

I can recall one instance before the 1966 joint parliamentary committee on consumer prices when we had a clear example of companies behaving in this way in order to keep a competitor alive. As I recall the case, it had to do with a leading manufacturer of baby foods in Canada. It was a branch of a multinational corporation with its parent organization in the United States. It had 80 per cent of the market, and its only competitor was in danger of going broke. The competitor had been losing its share of the market year by year and finally was looking at a loss situation. Then came the introduction of glass jars to take the place of cans. Up to that point baby food in Canada had been marketed in cans, but when glass jars arrived consumers showed an obvious preference for them. The weak competitor went into glass jars, but it took it three years to reach the break-even point when using them. During that time its larger competitor would not touch glass jars.

We asked the larger competitor, "Didn't you know that the public was in favour of glass jars? Didn't your parent company in the United States, which has been in glass jars for year, tell you this was the direction the industry was going?" The answer was, "We really did not know. The American company did not tell us anything about its operations, about which way it was going and what was its experience." We can believe that if we wish, Mr. Speaker, but what is more believable is that this company deliberately kept its competitor alive rather than run the risk of arriving at a monopoly situation and coming under government scrutiny.

As I say, very often an oligopoly situation is desired by large corporations because the public thinks it is protected when there is a smaller competitor visible. But in truth there is no competition and the larger companies are free to raise their prices in a market largely of their own making. In the particular case I cited, the competitor did not have any market in the maritime provinces or British Columbia.

● (2030)

Do hon. members think that the person with 20 per cent of the market, who can hardly stay alive, is going to enter into a price war with a giant who has 80 per cent of the market, who is making tremendous profits and can hold out indefinitely? I do not think so. This is why it seems to me that a bill calling for the market to behave in a way that the market has no intention of behaving, and when you have no way of even demonstrating that there has been any collusion or conspiracy, is doomed to fail. That, I think, is a general defect of combines legislation. It takes us off guard; it pretends we are getting some protection, when in fact we are leaving the market wide open to the rapacious and the powerful to do as they please.

When we talk about competition I think we must realize that in many areas of our society competition is no longer practiced. In some cases it may no longer be possible to practice competition, and in some cases it may not even be desirable. I should explain what I mean by that. When we talk about foreign ownership, we generally take the position that the problem with foreign ownership arises from the fact that American capitalists are running a company, rather than Canadian capitalists. On very few occasions do we ever examine the real problem. We know that sometimes the problem is a question of extraterritoriality, that American directors are subject to American law. But usually the problem is that when American corporations set up branch plants in Canada, they virtually destroy our ability to be productive and competitive and enable the manufacturing industry in Canada to exist only because of tariff protection or because lower wages are paid.

The chief problem with foreign ownership is that it has virtually wrecked our manufacturing industry sector of the economy. That is not true of raw materials because these have to be sold on the world market and have to be competitive. But the domestic market is protected by tariffs. Analysis of the manufacturing industry in Canada shows that we employ 30 per cent more capital per worker and end up with 30 per cent less production because of the Dinky toy structure we inherited from the Americans. An example is the refrigerator industry. A country the size of Canada could probably tolerate two refrigerator companies, but we had 14 at one time, the same number as the United States. We had a situation, Mr. Speaker, where Americans in Canada imposed a pattern of production on this country identical to that of the United States. It might have made sense with a market 11 times the size of ours, but it made no sense in the Canadian economy. If you want to find efficient industries in Canada, sometimes you have to look at those industries which remain under Canadian ownership, like steel and cement, because they were able to adapt to our market rather than having imposed upon them an American pattern.

This is a clear example of where competition has worked to the tremendous detriment of our society and has contributed to a lower standard of living than we might have had. You may say it has given us more product variety—

but how much product variety do we need? How much difference is there between one refrigerator and another, one stove and another? The hinges are different or the door may be an inch shorter or longer, but there is a limit to the kind of variety you want in a society. Beyond a certain point it becomes a useless extravagance that most people neither need nor desire. It exists only because it happens to suit the particular competitive pattern of the industry.

That is one area in which I think competition has done us a terrible disservice. One of the reasons Canada has one of the most efficient steel industries in the world is that there is a level of competition, or production, that is appropriate to that industry, that is appropriate to the available technology and to the needs of Canadian society. One of the reasons we do not have that in the rubber industry, for example, is that you have every rubber company in the United States with a branch plant in Canada making the same range of products, but on a Dinky toy, miniscule scale compared to the United States.

Of course, the Canadian government compounds the situation by inviting an additional competitor into a market that is already overserved. What is the justification for the new competition? I am talking about Michelin. In fact, there is an additional justification for Michelin that has nothing to do with competition. There is a good argument for having a tire industry in the maritime provinces because this is where the industries should be directed. The question then arises, why do we not restructure industry from central Canada into the maritimes, rather than encouraging another one into Canada with the consequences it has on the entire industrial structure of the rubber industry?

Despite the mounting evidence of these changes in our society regarding the competitive position of various companies, despite the fact that so many firms, in order to even survive, require to be almost in a monopolistic position, we still go back to Adam Smith; the government still hangs its hat on the Adam Smith model of an economy. I do not know whether they believe it or not, whether they are bringing in this legislation because they have been urged by the so-called intellectuals in the business community, or whether they are doing what they have always done, that is, imitating the United States: because the United States has competition, combines legislation, then we must have it as well.

The only two countries in the world with these antiquated, outmoded ideas are Canada and the United States. In the rest of the world every country is moving in the opposite direction. They know that competition is no longer an internal matter but is another international matter. Instead of encouraging companies within a country to compete with each other, they are asking their companies to go out and compete with others all over the world. Instead of having combines legislation, they have rationalization boards which encourage the merger or the coming together of companies of suitable performance. It is that which makes the combines legislation in Canada so harmful. I must admit that the government senses some of this, and in clause 2 of the bill they are apparently going to deal with this particular problem—hesitantly, but apparently they are going to deal with it.

What does it mean? Does it mean that we scrap the combines legislation and turn our whole society over to our competitors without any protection at all? No, Mr. Speaker, this is not what I am suggesting. What I am suggesting is that the competitors have to be held in check, that we have to do something about those who would take advantage of the weak in society. The way to do it is not through a combines policy which can be so easily evaded, or through an approach such as outlawing pyramid selling. I wonder how many weeks it will be before they come up with a new tactic that is not called pyramid selling?

It is a losing game, but there are things we can and should do. However, we will not be doing them as long as the government pretends the problem has been looked after because they have introduced combines legislation, new amendments to it and talk grandly about what a marvellous job they have done. What are the things we need to do? We need effective legislation. We have great problems with Bell telephone, arguing whether their legislation is as good as it should be. You can say one thing about the Bell company: it does not make a move in this country which is not scrutinized. It must justify its actions before the transport board. Often parliament is not satisfied with the decision of the transport board and Bell is forced to roll back its rates. The company must justify everything it does.

● (2040)

We should treat other industries in the same way, including banks. Banks should come under the jurisdiction of the parliament of Canada in the same way as the telephone company comes under its jurisdiction. Parliament removed the 6 per cent ceiling on the bank rate because the banks declared that the rate was unworkable. They made a good case for removing the 6 per cent ceiling, and parliament agreed but failed to introduce safeguards which would make sure the banks would not take advantage of the situation then existing, in which money was in great demand, thus putting them in a position to reap tremendous profits. There was no attempt to regulate the spread between what the banks paid for money and what they lent it for. That is the kind of thing I am talking about.

We ought to bring in selective price controls. We could still bring them in to affect particularly, the resource industry. The hon. member for Trinity and some of his colleagues talk about the terrible trade unions, how they are raising prices and the extent to which they are contributing to inflation. How does the hon. member equate his remarks with what is going on in the mining industry? Contracts were signed a few years ago, but there is no relationship between wages and the price being charged for zinc, nickel or iron ore. Why? Because it is demand, and not the cost of production, which determines the price on the world market. There is no attempt to control industry in that way. We made an attempt to control the oil and gas industry, which is fortunate. We should be introducing export taxes for all the natural resources we export. If windfall profits are to be made, they should accrue to the people of Canada, the owners of the resources and should be treated as a sort of depletion allowance. The people

should get them instead of the companies which temporarily are working these resources.

We should move in the direction of greater public ownership, as it is almost impossible to know whether these companies are acting in the best interests of Canada. This has been done in the case of electric power. If a company abuses its privileges, then instead of imposing a fine which it may laugh at and pass on in the form of higher prices, we should expropriate it. Once we have expropriated, not many companies will feel like doing the same type of thing. We should let it be known that defrauding the Canadian public is a serious business, that taking advantage of a situation to the detriment of the Canadian public may lead, in certain circumstances, to expropriation, to a jail sentence and not to a gentle fine which the company can laugh at and shrug off.

We should consider taking away the tariff protection of companies which run afoul of the law. One of the key recommendations of the Macquarrie commission report on the combines legislation of 20 or 30 years ago was that companies guilty of collusion should have their tariff protection removed. That recommendation was never acted upon. It was recommended that this course be followed with a certain glass company and a certain paper company. When you ask why this was not done, you are told that we must save tariffs as bargaining counters in multilateral trade negotiations, that it would be wrong to take away tariff protection now because we could not bargain with another country when we want it to remove its tariff protection.

One of the most effective instruments for preventing collusion among companies has never been used. In some cases the tariff protection is justified. But those companies must live up to their responsibilities and must remember that the Canadian people are willing to pay higher prices in order to protect them. There is no justification for continuing tariff protection for a company that abuses its privileges by increasing prices unjustifiably.

The government could become a competitor with industry. Lately there has been much talk of the national petroleum corporation. Such an instrument can be used to compete with oil companies. Sweden has done this sort of thing effectively with its co-op movement. You need not take a large share of the market in order to be effective. If your share is 5 or 6 per cent and you work aggressively, you can force prices down. In theory, Crown corporations in Canada are supposed to compete with industry. Yet too often the people who work for Crown corporations play golf with the guys they are supposed to be competing against. They soon develop an understanding, instead of pursuing the path of defender of the public interest.

We should break up vertically integrated companies. To my knowledge, nothing like this has been done. What justification is there for oil companies to control the finding, refining and selling of gasoline? That is the sort of problem we face. If an independent organization appears on the scene, the big companies try to force it out of business. Once it has gone, they go back to their cozy arrangement involving vertical integration under which the only service stations serving you are the ones tied in with the big oil companies. There is little competition in that situation. Various commissions have made recommendations regarding the oil industry. They have said that service stations should be separated from the big oil companies. Instead of action to carry out such recommendations, we have been presented with combines legislation.

[Mr. Saltsman.]

Brand names should be looked into. Often brand names are abused and it is claimed that the product sold under a brand name possesses a quality which it does not really have. Also, we should if necessary remove patent protection. I see that those who drafted this legislation are concerned about misleading advertising. This, I think, is little but puffery. I agree that much advertising is idiotic. Nothing is more idiotic than pretending that men and women go about looking through closets, with their arms up in the air, revealing their underarms and spraying some substance on themselves. If you watch television you will be given the impression that that is how people behave. I think advertisers very much underrate the intelligence and sophistication of our public. I do not think we need to protect viewers against this kind of lunacy, because sooner or later the product itself suffers.

What is required, in my view, is a different treatment of advertising expenses. Our advertising system is designed to encourage this kind of idiocy. An advertising expense is deductible from income for income tax purposes. This means that every dollar a company spends on this kind of lunacy is deductible. It can deduct at least 50 per cent if it is in the 50 per cent tax bracket. It should be remembered that it is not only the consumer who pays for the advertising expense incurred by the company: every taxpayer in Canada pays. If somebody wants to push something that is of psychic benefit, is perfumed or is an underarm deodorant, that is one thing. On the other hand, I should not be required to pay extra taxes to bring some psychic benefit to somebody else. We need changes in this area.

In dealing with advertising, I am not dealing with it from the standpoint of whether advertising for underarm deodorants, is intelligent or not intelligent; I am dealing with it from the standpoint of the tax system.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but I must remind him that his allotted time has expired. He may carry on if he has unanimous consent.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Do hon. members agree to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

● (2050)

Mr. Saltsman: Thank you, Mr. Speaker, and I thank hon. members. I shall be brief. What I am really saying is that this combines legislation obscures the issue. It takes things which are really not problems and says they are terrible problems we have to deal with. The things which are problems and really do have to be dealt with are set aside and are not even looked at. The danger is that the public will think that something is being done, when in fact little is being done.

If we talk about standards, about making sure there is no shoddy workmanship, then certainly we can set standards. We do this in connection with weights and measures. There is very little of the type of heavy thumb on the butcher's scale activity left in this country. We can force standards to be adopted. We have done so in the electrical industry. Standards should be enforced. We should have a better Canada Corporations Act. Now the government gives us this *pièce de résistance* to really show this is a wonderful piece of legislation, right up to the minute, and shows how this piece of extraterritoriality came in with the Worthington company. They say, "We are going to put that into the combines legislation package to show you what a well-rounded, beautifully developed thing it is." Except for one thing—it doesn't belong here: it belongs in the Canada Corporations Act, where you can clearly say that no director of a Canadian company shall act against the laws of Canada. And, if he does, he cannot be a director of a company. Why fool around with this matter in the combines legislation?

Also, we should go further with the corporations act. Those of my party who have had a chance to look at the corporations act have argued time and time again not only for this kind of a measure but for full disclosure. How are you going to know anything if you do not in fact have full disclosure? It is true we are getting more disclosure in our society, but we are not getting as much as is required in order for us to make decisions. Rather than give us a good corporations act, something which would really protect the public, we get a little bit of it thrown into the combines legislation and the corporations act goes on in its unrepentant way.

To conclude, Mr. Speaker, if the government wants to say to this House that this is all they can do at this time, make a few minor changes and adjustments, as long as they are sufficiently humble about it and bring the legislation before the House in an attitude of humility and admit it is an insignificant measure which makes a couple of minor corrections, I will go along with it. I will respond to the bill in kindness and say to the minister that he has not come up with much, but that it is something. But I hope the government has no illusions that by bringing in this piece of legislation it has accomplished anything worth while for the Canadian people or has made any significant correction in what is essentially a bad market situation.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I had not intended speaking on this bill, primarily because I think the minister did justice to the bill in his speech, as did his parliamentary secretary. The measure was introduced in the last parliament and is being repeated at this time. I think the Canadian public, and certainly small businessmen and the press, have had an opportunity to digest what is covered in the measure before us.

We just heard from the hon. member for Waterloo-Cambridge (Mr. Saltsman). He uses about eight different approaches when making speeches, and I think the one we heard tonight was what he calls his "pooh-pooh" speech. When he finds a bill as good as this one which is difficult to attack, one which has won wide acceptance in Canada in all segments of the business community and from consumers, it ill behooves him to attack the bill and cut it to pieces, so what we have is the hon. member delivering to us his "pooh-pooh" speech. His approach is: It is not a bad bill. It does a few good things, but it is really not all that significant.

Mr. Speaker, I did not hear or see the Minister of Consumer and Corporate Affairs (Mr. Gray) jump up and down, or pound his desk and scream that this was the greatest piece of legislation the government had ever introduced. I think it speaks well for the bill when it indicates this and nothing more. It is not a new bill; it is an amendment to a piece of legislation, and the amendments it contains bring important benefits to consumers, to small businessmen and to Canadians in general. The government had earlier announced its intention to bring in a new competition policy, to bring it forward in stages, and this bill represents the first of these stages.

The principal features of the bill before us include additional measures to deal with undesirable trade and advertising practices, the creation of a new, civil function for the Restrictive Trade Practices Commission which will enable it to issue orders to modify or prohibit trade practices brought before it, and provisions which will bring services in general under the legislation. That is what the bill attempts to do. To hear some members opposite comment on the bill, particularly hon. gentlemen in the far left corner of the House, one would get the impression that illegalities are rampant across the country, that Canadian businessmen are engaging in the kind of practices this bill is introduced to prevent.

Only a very small segment of Canadian businessmen and markets would be affected by this legislation in any event, because its provisions will apply only to very few of them. I took issue the other day with some hon. members who have a tendency to give Canadian business a black eye. I think the marketplace in Canada is probably as honest as any in the world. Mr. Speaker, you cannot legislate honesty, but I think you have an obligation, when someone does something which is contrary to what is fair in the marketplace, to bring in legislation to catch that particular irregularity.

Opposition members would be jumping to their feet, no matter what provisions the bill contained, if no machinery was provided to restrict unfair practices in the marketplace. They would be criticizing the government for failing to bring in measures to control pyramid selling, and so on. When corporations engage in illegalities, means should be provided for dealing with them; and in cases where the consumer is hurt, some redress should be forthcoming, as is provided in this bill.

As one who practised law for a few years, I remember dealing on all too many occasions with people who had signed promissory notes at the end of long contracts. They found the note had been assigned, usually to a finance company. The finance company sued for payment. The answer was, for example, that the cutlery had not been delivered, or it was not aluminum, it was tin, or whatever it was. There was no particular defence. No legislation existed to cover such a situation. There was no protection for the consumer. It is the obligation of provincial legislatures to afford protection in instances of this kind.

This party, this government, brought forward legislation to protect those who were on the short end of a bill of exchange where they really had no defence. We have an

obligation to keep businessmen on their toes and to let them know there is some law that will prohibit illegal activity. But for the most part, as I said earlier, most businessmen are honest. Any of them who get together to act in a dishonest fashion are probably a minority. Considering the billions of business transactions that take place in Canada annually, very few of our businessmen break the law.

● (2100)

The next aspect that I like about this legislation is its approach. The minister has followed an approach that I think is consistent with what the Special Committee on Trends in Food Prices said in our first report. I quote from that report:

> Certain provisions of the proposed competition act dealing with consumer protection (e.g. misleading advertising, bait and switch selling) be split off into a separate bill and enacted immediately, and not be tied in with the provisions relating to monopolies, mergers, etc., requiring reconciliation with broader policy directions relating to industrial strategy and foreign investment.

Mr. McGrath: That is not what this bill does.

Mr. Atkey: Why did not the minister follow that recommendation?

Mr. McGrath: Yes, you are chairman of the committee. Why not?

Mr. Cullen: As a result of that intervention, we know that the hon. member for St. John's East (Mr. McGrath) is here this evening. I hope he will have something constructive to say, instead of destructive. It certainly would be revolutionary to hear him speak in a positive way for a change. I see the hon. member for St. Paul's (Mr. Atkey) smiling. I know he likes this bill, and a little later I am going to quote a statement made by the hon. member for St. John's East, something he said about this bill last November. Hon. members opposite have now had a caucus and probably think they cannot praise the Liberals too much since we have done a great job in the first year. If they had to be careful about praising us in November, 1973, today they might have to be even more careful.

Mr. McGrath: What about the other recommendations?

Mr. Cullen: Mr. Speaker, I have only 40 minutes so I cannot deal with all these interjections. I agree with the approach adopted by the minister. I feel that the Progressive Conservative Party would adopt a carte blanche approach if, heaven forbid, they were in power. These provisions would be cut to pieces by those who want to break the legislation. We need a careful approach that aims at particular targets. Where illegalities creep into the marketplace, we must deal with them we as we should.

One of the criticisms that is levelled at this bill is that it has taken a long time to bring it in, I believe something like three years from its inception. The regulations themselves will not have to be fully implemented until approximately two years after the bill becomes law. I agree with this particular procedure in this instance, and for this reason. Most of the people affected, in fact the very large majority of the people affected, by this legislation are honest businessmen. As honest businessmen, they should be given the opportunity of meeting the requirements of the bill and not have to gear up and overnight make significant changes which might be to the detriment of their particular business. They have done nothing wrong and they are quite prepared to comply with the regulations; all they are asking for is a little time.

I heard the criticism earlier today that two years was not long enough. I would say to the honest businessman of this country that if he needs a little longer period in order to implement these regulations, I think he will find a sympathetic ear with this government. Some would rush with haste into these things, such as hon. members opposite. I would be a little wary if they were in power because then we would have something to worry about. We are not trying to do anything that is going to be to the detriment of the small businessman. If he does need a little time to implement the provisions of this act, then my view is that the government is right in giving them that time.

What does the small businessman think of this legislation? I should like to quote some of our critics in the press. It is of interest to note that we have received commendations from almost all sources in the press. I note, going outside the press, that Mr. Ruben Bromstein, who at the time was president of the Canadian Federation of Independent Businessmen, a body with some 9,000 members had this to say on November 5, 1973, speaking on CBC radio:

> Clearly we are most pleased that the bill has been introduced . . . basically it is giving small business an opportunity to be protected by the law. And even after a decision has been made that somebody is violating the law, a small businessman will have the opportunity to sue in court to collect damages that have occurred because he has been hit by the people who are trying to drive him out of business, or are in some way affecting his business unfairly.
>
> What we are concerned with here is that the government seems to have made a genuine attempt to catch the errors (at least that's the impression I'm getting from reading these provisions) and to try and, in a staging process, get at the problems that affect him.

Gail Scott, a CTV news correspondent, had this to say:

> —the new act does go a long way to regulate continual consumer problems and, if implemented, will bring with it many of the changes that consumers have been asking for.

Mr. Bill Wilson, a columnist for the Montreal *Star*, writing in Ottawa on November 5 last had this to say:

> There is some consensus in Canada that the consumer deserves decent protection from unfair practices and this is the biggest field where Mr. Gray has moved.

The Montreal *Gazette* for November 6, 1973, carried this headline:

> Gray bill arms shopper against unfair pricing ads. Bill allows action by consumers. Athletes may get a break on binding contract terms.

Then I was interested to note that Mr. Geoff Stevens, writing in the *Globe and Mail* on November 6, 1973, said this:

> Many of the bill's provisions make simple good sense.
>
> Two encouraging aspects of the new bill are that it would bring a broad range of services (as well as goods and products) under regulation and it would give the Restrictive Trade Practices Commission the power to order a halt to illegal business practices.

We always save the dessert till the last, Mr. Speaker. Mr. Henry Heald, writing in the Ottawa *Journal* on November 6, had this to say:

Both Grace MacInnis (NDP Vancouver Kingsway) and James McGrath (PC St. John's East)—

Mr. McGrath: Order.

Mr. Cullen: I continue:

—said the bill proposed worth while measures in the field of consumer protection.

Some hon. Members: Hear, hear!

Mr. Cullen: Mr. Speaker, if I may turn away from this Ottawa *Journal* column for a moment, the hon. member for Sarnia has a great deal to say about this, but it is very seldom that a Liberal is quoted favourably in the Ottawa *Journal*. At least, that has been my experience. If I may continue with Mr. Heald's comment, the article goes on to say:

Mr. McGrath said: "The bill offered a lot more than I expected". He called it: "an important piece of legislation . . . "

Some hon. Members: Hear, hear!

Mr. Cullen: Mr. Speaker, I do not think we have a more severe critic, and when we get praise from such a source I am almost tempted to sit down and rest my case. However, since this is such an excellent bill I do have a few more comments to make. As I have indicated, this bill is not the greatest bill that has ever come down the pipe, nor are we suggesting that it is. It is an amendment to a particular piece of legislation that is presently on the books. But it does make provision for Canadian corporations and for subsidiaries of United States corporations, or for that matter any foreign corporation, to act in Canada as good Canadian citizens.

The hon. member for Waterloo-Cambridge has indicated one approach that he would like to see adopted. We have adopted the approach of making these amendments to the combines act. I am not concerned so much with the means as I am with the result, and the result is that subsidiaries operating in Canada have got to be told plainly that they have an opportunity to do business anywhere in the world and that they are going to conduct their business pursuant to Canadian foreign policy, not United States, British, French or the foreign policy of any other country. That is why these provisions are contained in this piece of legislation. If we dolled it up a little by putting it in another piece of legislation, then that would not bother me at all. I am not interested in the form; I am interested in the result.

Mr. Speaker, I know there are many others who want to speak in praise of this bill.

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

The Acting Speaker (Mr. Boulanger): Does the hon. member agree?

Mr. Cullen: Any time.

Mr. McGrath: Mr. Speaker, so far we have heard the hon. member tell us what other people have said about the bill so far as the business community is concerned. As the learned and distinguished former chairman of the Special Committee on Trends in Food Prices, I should like to hear him say what this bill means to consumers. He has not yet enlightened us on that score.

● (2110)

Mr. Cullen: Mr. Speaker, now I know the hon. member has not read the bill.

Some hon. Members: Hear, hear!

Mr. Cullen: I hope he does read it before he gets up to read his speech, as there are others more knowledgeable than me who will follow him and point out the error of his ways, particularly if he thinks the bill does nothing for the consumers.

An hon. Member: Let's hear what it does.

Mr. Cullen: Mr. Speaker, when you have a court case you do not belabour the obvious. There are certain circumstances and situations in respect of which we say the judge can take judicial notice. It is not necessary to comment on or put something in evidence in court when it is self-evident. I do not intend to stand here and read the bill when I know the hon. member can read it for himself. The bill speaks for itself, but apparently not loud enough for the two consumer critics of the opposition.

Mr. Baker: Tell us about double-ticketing and how you are going to enforce that provision.

An hon. Member: What are you going to do about the price of meat?

The Acting Speaker (Mr. Boulanger): Order, please. I am not sure whether the hon. member has answered the question, if he has decided to make another speech or to continue with this speech. However, I understand that the hon. member for St. John's East (Mr. McGrath) wishes to ask another question. Whatever the situation, the hon. member has lots of time left.

Mr. McGrath: I should like to ask the hon. member, who has had a wealth of experience as chairman of the Special Committee on Trends in Food Prices, another question. I suggest that all the recommendations of that committee have been ignored. I should like to hear the hon. member address himself to the provisions of the bill dealing with double-ticketing and explain how the government intends to enforce that provision. Perhaps he would also direct himself to the misleading advertising part of the bill about which the committee had so much to say.

The Acting Speaker (Mr. Boulanger): Order, please. Perhaps the matter was not put in the form of a question, but it was explicit enough that the hon. member might answer.

Mr. Cullen: Mr. Speaker, after listening to that rather wide ranging discourse, let me say that one of the difficulties in respect of the double-ticketing system, which the hon. member may be as well aware of as I am—

Mr. Baker: Let's have no double-talk on double-ticketing.

Mr. Cullen: I am trying to give a straight answer, which it seems to me might be difficult as the questions are so crooked I have to go around corners to get at them. Prohibition of double-ticketing might be extremely difficult to enforce.

An hon. Member: Well, isn't that great.

Mr. Cullen: You had better let me finish before you fall into another trap. The hon. member has probably read as many, if not more, newspapers as I have. After all, members in the opposition have more time to read than we do, because we are busy working. In any event, I read the newspaper article which pointed out one of the difficulties of the double-ticketing system. When a price is put on an item it is extremely easy to get a dark red, black or blue ink pen, strike out that price and put on another one. There will be some difficulty in enforcing that particular provision, but I think businessmen in the marketplace across Canada are on their guard and know that we will be looking at this matter.

I might point out that there are scientific ways of determining whether one, two or three prices have been put on a particular item. I am not suggesting it is not going to be difficult to enforce, just as many provisions of the Criminal Code are difficult to enforce, or even to lay a charge under, to say nothing of proving it. No one is suggesting that this bill is a panacea, and I hope there will be some amendments forthcoming. The hon. member, who is well respected—we are complimenting each other tonight—contributed a great deal to the deliberations of the committee, but sometimes when he gets before the cameras he has a tendency to suggest that the government has not followed all the committee's recommendations. I suggest he is confusing the issue by doing that. The government may not have followed all the recommendations of the Conservative Party, but it certainly followed the recommendations of the committee.

The committee recommended the establishment of a Food Prices Review Board. Such a board has been established and significant action has been taken. Only this afternoon we heard about some of the splendid actions taken by this board. The committee also recommended that money be made available to consumer associations so they could go into various areas they could not go into before and conduct more efficient examinations. I understand the minister is increasing that amount this year by something like $100,000.

I should point out that all the recommendations of the committee were not directed to the federal government. Some of its recommendations were directed to the media, and I think the media have fulfilled what we asked them to do. For instance, we now have the program The Market Place in prime time and we have a tremendous amount of newspaper advertising. Everyone has the responsibility to follow these recommendations. We have heard the Minister of National Health and Welfare (Mr. Lalonde) indicate that if any province wants to embark on a private program in this respect, funds from the Canada Assistance Plan will be made available. Initiatives have to be taken at every level of government. Carte blanche, sweeping criticism does not really tell the whole story.

In any event, I do not like to labour the obvious by referring to a bill that really speaks for itself. I suggest that a careful reading of it will indicate exactly what it does to protect the small businessman and the consumer.

Mr. McGrath: Would the hon. member permit another question?

The Acting Speaker (Mr. Boulanger): Is the hon. member agreeable to accepting another question?

Mr. Cullen: Yes.

Mr. McGrath: Since the hon. member did not use up all his time, I should like to ask him what happened to the amendments to the Weights and Measures Act passed by this House almost three years ago. Where is the consumer protection, based on that bill? Why did it take over three years to implement the packaging and labelling legislation, which I suggest will not become law in most cases for two years?

Mr. Cullen: When I am called upon to justify the weights and measures legislation, I will be only too happy to do so. It has been my experience around here that when something takes a little longer than the layman might think it should take, it is because of careful examination and discussion between industry, the department and the minister. An investigation would soon reveal that there are very good reasons for taking time in most cases. The government does not want to hurt the businessman who is to be affected by the legislation. Businessmen have done nothing wrong and want to comply with the law. I think the Canadian businessman should be given sufficient time to effect a change in practice in order to live up to the new legislation. We should try to avoid anything that would cause hardship to a particular businessman. Usually changes involve some expenditure on the part of businesses because they must replace their present packaging systems with another. These people should be allowed to continue their normal business unless they are violating the provisions of an act or its regulations.

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I listened with interest, as I always do, to the hon. member for Sarnia-Lambton (Mr. Cullen) who caused me some consternation when he said the legislation had been widely welcomed by various hon. members and communities. I wondered for a moment whether I was listening to the right debate. However, when he said that when the minister introduced the bill he did not exactly jump up and down with enthusiasm, I knew I was in the right place at the right time. He indicated, as well, a slow, careful and cautious approach. I did not understand whether he meant to the legislation or in the legislation. If he meant a slow, careful, cautious approach to the legislation, I welcome his words and hasten to agree with him.

I had intended during this debate to deal with only one small aspect of the bill which is of considerable concern to me and others, but I am forced by the words of the minister who urged speedy passage of the bill to answer to some degree. Speaking personally, I would be quite con-

tent to expedite passage of this bill if I could find some justification for the rush. For that reason I searched today for justification. One might like to justify urgency on the ground that this government understands or sympathizes with the consumer or the small businessman, but I can find no justification in that regard.

This government, in my opinion, has not only had a history of but a propensity for callous disregard for the consumer. On the one hand it crawls and cowers under the protection of the Food Prices Review Board; on the other it struts and prances like a proud capon when discussing its attempts to put ceilings on the price of such things as milk and bread at the consumer level, while conveniently and simultaneously ignoring the input costs and transportation problems of the farmer-producer of these items.

● (2120)

With regard to small business, I suggest that the record of the government is dismal. It consists mainly of pious utterances in a succession of throne speeches, followed by a remarkable lack of activity between the speeches. The government has increased remarkably the problems of the small businessman. The small businessman in my riding, and in every riding in this country, deals with more and more government inspectors, he has more and more government forms to fill out, more and more government statistics to compute, and more and more reports to complete.

This government, in summary, has said to small business—I think this is the crux of it all—"If you want to expand, borrow money at prohibitive rates of interest." The government's action and concern for the consumer and small businessman gives me no justification for this rush on the part of the minister. I looked at the record of the minister and that of his predecessors in respect of competition legislation. Of course, I had to look for further back than 1971 and the competition act, the infamous Bill C-256 which was conceived in ignorance, drafted without understanding and which could have been implemented in chaos.

Fortunately for both consumer and businessman alike, it died the death it so richly deserved. Therefore, the government's track record in this field of legislation provides remarkable lack of justification for proceeding so hastily. Then I looked at the minister's speech—I believe it is at page 482 of *Hansard*—where he refers to the problems of foreign judgments, laws and directives and says:

> I think that recent events have demonstrated the importance of this proposal and have provided a strong argument for the House to make a favourable decision on this bill at the earliest possible date.

No doubt the minister was referring to the MLW-Worthington Limited case. Then at page 483 the minister says:

> At the same time, by asking the House to deal now with Bill C-7 I am taking action on behalf of the government to enable parliament to take decisions earlier than would otherwise be the case in some important areas particularly relevant to present public concerns linked with current inflationary pressures.

Speaking for myself, I recognize these two problems as being extremely urgent. I sympathize with the problems, of the minister, and indeed with the government. However, I am more in sympathy with the problems of the consumer and the businessman. With respect, I submit the minister knows very well there are other more efficient and expeditious means of dealing with these problems. I am sure the minister has been well aware of them for some time.

I am sure these matters will be discussed in this debate. Indeed, this question was mentioned by the hon. member for Sarnia-Lambton earlier today and by the hon. member for Trinity (Mr. Hellyer). Yesterday, my colleague the hon. member for St. Paul's (Mr. Atkey) suggested a minimum of four to six weeks before commencement of the committee hearings. I hasten to say that I agree completely with that request. In doing so, may I make an attempt to justify our position. I and every member of this House received an information kit from the minister and the department. It contained Bill C-227, the press release and a number of papers called background documents. I contacted the minister's office and he was good enough to send me 50 more of these kits which I distributed to 50 businessmen in my riding.

I do not pretend to be a spokesman for big business, because in my riding we do not have big business. I suppose the biggest business in my riding would employ about 250 people: the average would be between 100 and 125 people. These businesses are at all levels, retail, wholesale, manufacturing and service. I submitted this material along with what I call the blue book, entitled "Proposals for a new competition policy for Canada, 1973". Again I thank the minister for providing me with sufficient copies. I sent these out for the purpose of obtaining a reaction, and solicited inquiries.

I did not receive any wild-eyed, outraged condemnation. I did receive, in profusion, questions such as, "What does this mean? Does this mean strict liability? What are the procedural rules of the commission?" And so on. In summary, I received answers indicating a good deal of confusion in respect of the bill. Although some of the provisions are short, they involve extremely complex matters. Now that some 3½ or four months have passed since I distributed the material —as I am sure many other members have—the tremendous business and economic complexities of the bill at this point have been only partially digested.

These representatives of the small business community want to play their part, the part they deserve to play, in informing us of their opinion regarding this legislation. I am sure various consumer groups are adopting the same position. Again, they have an obligation, as have their business counterparts, to advise us and give us their opinion. I, for one—and I do not believe I am alone—want the best possible input when this matter is discussed in committee. My friends to the left, the NDP, will probably disagree. The hon. member for Toronto-Lakeshore (Mr. Grier) yesterday, as recorded at page 488 of the official record, said:

> From my point of view, this legislation has appeared none too soon. I hope the bill will proceed to committee without lengthy debate and, in view of the fact that much discussion has already taken place on the general principles and philosophy of competition policy, that we can avoid the bill's being bogged down in committee as it is lobbied by one group or another over a lengthy period of time.

I say to my hon. friend, the hon. member for Toronto-Lakeshore, that there is a lot more to this bill than what he calls general principle and philosophy of competition

policy. He is naive indeed if he does not think, for example, that the entire distribution system of goods in this country is at stake here. He went on to say:

> Of course, this is not to deny the right of interested parties to appear before the committee. But I am not anxious to be party to a procedure which sees the effective implementation of this bill delayed for a long period of time while many of those groups which have already had a substantial say in the formulation of the government's basic, philosophic approach come back to have another crack at it.

The hon. member says that many of these groups have already had a substantial say in the formulation of the government's approach. I have no doubt that members of the NDP are much closer to the government than I am or my colleagues. He may have been privy to all this input; others of us have not had this advantage. He may have been talking about the 1971 competition bill. I hope he does not rely solely on the evidence presented at that time to justify rushing this bill in and out of the committee. He and the minister and their respective colleagues may ignore some of the warning lights in the bill. I think of federal-provincial jurisdiction. I think also of the possibility of strict liability. I think of a commission that may be judge, jury and prosecutor rolled into one. I give just these few examples of the dangers one might find in this legislation. The minister said yesterday, as reported at page 480 of *Hansard*:

> ● (2130)
>
> —I look forward to the committee study of the bill where there would be an even greater opportunity for me to deal with hon. members questions, ideas and suggestions and to discuss these with them, as well as the various proposals of the bill, in full detail.

I assure the minister that I, too, look forward to the committee study, but I say most frankly that there are others in whom I have more confidence than the minister whom I wish to hear questioned—persons and associations representing business and consumer interests and I hope, also, provincial governments will be given a chance to express their opinions. I think this claim of necessity for haste is partially, if not totally, answered by an editorial in the *Financial Times* of November 12, 1973, headed, "No Paper Tiger". This editorial, which is short, reads as follows:

> Anyone who has been misled into regarding the new amendments to the combines act as a paper tiger should take a second look. The detailed report on the following two pages shows that the new minister and new staff of the Department of Consumer Affairs have learnt a lot from the demolition of Ron Basford's doctrinaire 1971 bill. But they have still adopted considerable chunks of it, and their bill demands equally searching examination.
>
> Mr. Basford's 1971 competition act was the supreme example of the academic and theoretical approach to government which was the hallmark of Mr. Trudeau's first ministry. Herb Gray's more modest bill is just as typical of the strictly political approach Mr. Trudeau has adopted in the last year.
>
> The amendments to the combines act are presented, blatantly and officially, as a response to the wave of consumer complaints about inflation. They are designed to ease Beryl Plumptre's lonely position as the government's lightning-rod—or, if you will pardon the expression, whipping-boy. At the same time, an attempt is made to placate business by withdrawing Mr. Basford's outrageous plan for a tribunal with authoritarian power over business dealings.
>
> But Mr. Gray's bill would also give a resurrected Restrictive Trade Practices Commission the power to make orders enforceable in the courts, over an important range of established business practices. Oil companies and service stations are only one of the most obvious cases in which the prohibition of tied sales and exclusive dealing might compel new arrangements to be made.
>
> The new rules on price maintenance and price discrimination are, mercifully, an immense improvement on Mr. Basford's bill. But they are not soft. Nor, let it be noted, has Mr. Gray given up the wider aims of the Basford bureaucrats. He has merely postponed them to a future "Stage Two" of uncertain date.
>
> His policy proposals anticipate an eventual need for "a more flexible, quicker and thoroughly expert investigation and enforcement machinery;" reform of the Restrictive Trade Practices Commission to make it "more efficient" and development of an "efficiency test" for business agreements and acquisitions.
>
> It would be wise to look behind the arras before starting to pet the tiger.

I urge the minister to agree that a four to six weeks period before the committee study is not only reasonable but advisable. The one area of the bill with which I wish to deal tonight is the refusal to deal, refusal to supply or refusal to sell, whichever we want to call it. This part of the bill is dealt with in what I call the blue book, "Proposals for a new competition policy for Canada", at page 44, the first paragraph of which reads as follows:

> Businessmen who have been unable to get supplies needed for their operations on ordinary trade terms have submitted many complaints to the director in recent years. In some cases, these are comparatively new entrants to a market and in others they are established firms whose supply lines have been disrupted after developing the market for the product involved.
>
> In the majority of cases the firms adversely affected are relatively small although their credit may be good and they are willing to take delivery in acceptable quantity . . . Alternatively, the refusal to supply may reflect the supplier's decision to undertake or increase its own distribution and eliminate competition in the resale of its product.

It goes on for approximately half a page to speak about illegal retail price maintenance and the fact that current legislation cannot deal adequately with the problem. The final paragraph deals generally with the commission and the powers it has to meet this problem.

Last year, in the Toronto *Globe and Mail* of December 6, there appeared an article by Professor Donald N. Thompson of York University. As some hon. members know, he is a member of the advisory committee to the Minister of Consumer and Corporate Affairs on competition policy and has served as consultant to the U.S. federal trade commission and the U.S. department of justice on anti-trust and trade regulations. The first paragraph of this article reads as follows:

> Buried in the middle of the new competition bill introduced recently by Consumer and Corporate Affairs Minister Herb Gray is a short section on refusal to sell, which could have a tremendous impact on the way products are marketed in Canada, on the prices paid by consumers, and the shopping alternatives open to them.

This provision was also buried in the middle of the minister's address yesterday and in the speech by the NDP spokesman, the hon. member for Toronto-Lakeshore. In the minister's statement yesterday there are two short paragraphs at page 482 of *Hansard*. The first deals with the practices dealt with in the bill which are: refusal to deal, consignment selling, exclusive dealing, tied sales, and market restrictions. The minister indicated that such practices could be used to prevent the free operation of market forces and limit the consumer's choice. The second short paragraph indicated the minister's opinion of the RTPC's power to handle this problem.

The hon. member for Toronto-Lakeshore dismissed this provision in about ten or eleven lines most of which dealt with his experience on the food prices committee. In my opinion, this is cavalier treatment of a provision which could have profound effect on businesses and consumers alike. What I shall seek to find out in the committee is where this and other provisions of the bill relate to the bill's purpose. The bill's purpose, as set forth on page 1 of the book, "Proposals for a new competition policy for Canada", reads as follows:

> The purpose of the Combines Investigation Act is to assist in maintaining effective competition as a prime stimulus to the achievement of maximum production, distribution and employment in a mixed system of public and private enterprise. To this end, the legislation seeks to eliminate certain practices in restraint of trade, and to overcome the bad effects of concentration, that tend to prevent the economic resources of Canada from being used most effectively to the advantage of all. The Act also contains provisions against misleading advertising, which were introduced in 1960 and 1969, to utilize the investigative capacity of the act for the protection of the consumer.

What I and my colleagues wish to determine in committee, and possibly in this debate, is the relationship between this stated purpose and the effect of the failure to supply provisions. For example, there are those who seem knowledgeable in this field who suggest that refusal to sell may result in more vertical integration, and I was interested by what the hon. member for Waterloo-Cambridge (Mr. Saltsman) had to say about it. I should like to quote again from Professor Thompson's article in the *Globe and Mail* as follows:

> From the manufacturers point of view, taking away the right to refuse to sell would have a huge impact on existing marketing systems of distribution. There would be pressure for manufacturers and retailers to expand into "non-resold" private brands, those distributed through vertical ownership systems. This might even serve to increase vertical ownership integration in marketing channels.

● (2140)

This refusal to supply provision, ostensibly for the protection of small business, may therefore have the very opposite effect. I invite hon. friends to my left in the NDP, who from time to time are inclined to indicate some concern for small business, to consider this in committee. Remember, Mr. Speaker, the small businessman is totally dependent on brand name merchandise. If there is evidence that this legislation encourages non-branded products, let us hear that evidence. If there is evidence that this bill will encourage vertical integration, let us all be aware of it, because small business has no greater enemy or more serious threat than the vertical integrator, unless it be the government itself from time to time.

It is said that the refusal to supply provision will encourage potential discounters. Professor Thompson is of this opinion. He says in his article in the *Globe and Mail*:

> One result of this tacit resale price maintenance is that many potential discounters, who depend on brand name hard goods for their customer attracting power, are unable to obtain goods from suppliers who refuse to deal. Thus no city in Canada has develop discount retailing to anything like the extent it is practiced in a number of large U.S. cities. Toronto comes closest to having widespread discounting, followed by Montreal and Vancouver. But Halifax, Quebec City, Winnipeg and Edmonton have little or no brand name hard goods discounting, largely because of the refusal of manufacturers to sell to discounters in these centres.

Let us assume, for the sake of argument, that Professor Thompson is right. What I do not know, and what I hope to find out, is the value of these discounters, and whether the consumer does get a better deal for his dollar. I have seen some of these so-called discount operations in the United States, and I tend to agree that many of these operators do discount with respect to 5 per cent of their goods, but the other 95 per cent is sure no bargain and certainly no discount. Their success in the United States is not so much attributable to legislation comparable to Bill C-7, because refusal to deal is not part of U.S. anti-trust laws so far as I am aware. The success of discounters in the U.S. occurred in the marketplace because many old-established retailers got out of date and did not keep pace with modern merchandising methods. Therefore, I want to know more about these operations of discounters and whether they improve the lot of the consumer or not. The refusal to deal prohibition may have tremendous impact on the distribution business in Canada. What has been ignored is the simple fact that the distribution business is composed of small business, not big business.

The minister claims to be concerned about small business and holds this legislation forth as protection to and encouragement for small business. What I do not understand is whether the minister suggests that the refusal to supply provision will assist those in, or those wishing to enter, the distribution business. It seems to me that the very opposite could be true. It seems very possible that big businesses, many of whom to date have used distributors, may be encouraged by this legislation to perform this function themselves. I suggest to the minister another side effect. If the distribution industry is threatened and reduced in any substantial number, what effect will this have on the small manufacturer who is totally reliant on independent distributors for the marketing of his products? These, then, are to me serious questions, and bland assurances from the minister do not answer them.

The minister seems to be saying, in the refusal to supply provisions in this legislation, "Trust us. Big Brother won't mess things up." I say to him in reply, "Don't tell us what you won't do; tell us what you will do. give us some examples of refusal to supply problems and what you would do to correct them." The minister says that the refusal to supply provision was included because of complaints received mainly from small business. I would like to hear some of these complaints and I would like to hear what Bill C-7 will do to correct the situation.

What also concerns me about the bill's refusal to supply provisions is that the minister, although he claims this to be for the protection of small business and resulting from the complaints of small business, wants in the bill to take two bites at the apple. Refusal to deal is dealt with first in part IV under the heading "Matters reviewable by the commission." These are the amendments in proposed section 31.2. Therefore, alleged infractions are subject to review by the RTPC. But later in the bill, under the heading "Offences in relation to competition", the minister takes another bite. I refer to proposed section 38(6) which reads as follows:

> No person shall, by threat, promise or any like means, attempt to induce a supplier, whether within or without Canada, as a condition of his doing business with the supplier, to refuse to supply a product to a particular person or class of persons.

Proposed subsection (8) reads:

Every person who violates subsection (1) or (6) is guilty of an indictable offence and is liable on conviction to imprisonment for two years.

This total or partial overlapping in sanctions is in itself rather remarkable, but what is even more astonishing to me is that neither the minister nor any other Liberal spokesman has made any attempt whatsoever to justify or explain this. Therefore, in committee we want some explanation of the thinking that led to this double-barrelled approach. I would like to be convinced that the minister understands the marketplace. I would like to be convinced that this legislation has not confused provincial responsibility for fair business practices with federal responsibility for combines legislation. I would like to be convinced that there is compelling reason to infringe on the seller's fundamental right to deal with whom he pleases.

I hasten to say to the minister through you, sir, that much of Bill C-7 is welcomed by all members of all parties, but as a word of caution I say that parts of the bill require extremely careful scrutiny including, in my opinion, the refusal to supply section. Therefore, I urge the minister to proceed cautiously on such matters in the interests of both consumer and businessman alike.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I too am pleased to join in the second reading debate on Bill C-7 as I feel it is rather remarkable that the minister who introduced the bill is so anxious not only to get it through second reading but also through committee. I noticed, when he introduced the bill on March 13, that he concluded his remarks by saying:

I therefore urge the House to give second reading to this bill as quickly as possible so that it can go at the earliest possible stage to committee for detailed but, I hope, speedy consideration and decision.

There are three words there of a nature to indicate the minister's anxiety to get this bill through the House. He says "quickly," "earliest" and "speedy," and this in a speech made by the minister only two days after the bill was introduced in the House. Why is there such a desire to pass it speedily through the House without giving it due consideration at the second reading stage? In the same speech the Minister of Consumer and Corporate Affairs (Mr. Gray) raised an alarm in my mind by a comment he made a little earlier when he said:

Let me now take a moment to pay tribute to the Minister of State for Urban Affairs (Mr. Basford) and to the Minister of Manpower and Immigration (Mr. Andras) for their efforts which helped lead to the bill now before the House.

If there we needed any reference to undermine our confidence in this bill, that is it—his referring to the Minister of State for Urban Affairs and to the Minister of Manpower and Immigration as if that in some way was a recommendation for the speedy passage of the bill. I would remind you, Mr. Speaker, that the Minister of Manpower and Immigration is conducting the Unemployment Insurance Commission affair, which is a colossal calamity for this country. At the present time it is costing the taxpayers of Canada something over $1 billion. The Minister of State for Urban Affairs is attempting to cope with his portfolio, but as was witnessed yesterday by his pitiful little speech concerning what he hoped to do with respect to rising housing prices, I think the House would agree that it is certainly a department that needs a new minister.

● (2150)

I make these general comments because, like the hon. member who preceded me, I have serious doubts, not only whether the minister who has introduced this bill understands the marketplace but, more important, whether the civil servants who prepared the bill and told him to get it through the House understand the marketplace. I say that because while there is reference in the bill to the Bank Act and certain amendments are proposed to it, the minister leaves the supervision of competition or lack of competition among bankers to the Inspector General of Banks. That may sound quite innocent, but many members of the House realize that the Inspector General of Banks has a staff of two; that is, the Inspector General himself and two assistants, including his secretary. Is it to be taken seriously that a competition act is going to be administered tightly, in the usual sense, by a staff of one man, an assistant and a secretary, bearing in mind that the banks that he is required to supervise have gross assets of $80 billion?

Why are the banks put into a sacred position? Why has the government chosen to be so gentle with the banking community? For example, if we are speaking about competition, surely it is relevant to point out that in the last 12 months the banks earned $358 million, which is more than triple what they earned a decade or so ago. I mention this figure because I think it is relevant to point out that while the banks earned that money, based on the Toronto stock exchange indices we find that the general manufacturing field earned $47 million; the food processing industry earned $49 million; the construction and materials industry, $26 million. Various other sectors of the business community had relatively low earnings compared to the banking community, whose earnings have grown probably more quickly in the last decade—certainly since 1967, the year of the great sell-out by the present government to the chartered banks—than practically any other sector of the business community. In fact, Mr. Speaker, based on the Toronto stock exchange indices listing of January of this year, I was surprised to find that the banking community had the second highest earnings of any sector in the nation. The only sector that had higher earnings was industrial mines.

Instead of giving hasty second reading to this bill, surely we should ask why, exactly, the minister gave favoured treatment to the banking community. And not only why did the minister give such favoured treatment to the banking community, but do the minister and his civil servants really understand how the marketplace operates in Canada? It is very nice to come in with a competition act, it is very nice to speak about competition—it is a motherhood thing—but we must be on our guard because we have a minister who at the behest of his civil servants is trading on the motherhood issue of competition to create more bureaucracy in this country.

Speaking of bureaucracy, surely it is time that people became alarmed, and in particular members of this House, at the fantastic growth of our civil service. In a current issue of the Canadian Tax Journal there is a very enlightening article by David B. Perry who points out that now

one in eight people are employed by government in Canada. One person in eight is now somehow employed in government at either the provincial, municipal or federal level! As we know, the number one employer is the federal government, and here we have them lunging ahead to employ more civil servants, in more bureaucracy, so they can bring in what they say is a more competitive marketplace.

I would suggest that they do not accurately understand the marketplace at the present time. Let them look at the entire economic fabric of Canada; let them have another royal commission on banking, such as that which was commissioned by the Conservative government in 1961, to get the facts on what is competition in Canada and how it can be freed.

I would say that any chartered bank in Canada can restrict or open up competition more than any other force that we might consider. Not only do I feel that the government does not fully comprehend the problems they are attempting to deal with but, most unfortunately, I think they perhaps inadvertently do not realize that the more they submerge business with bureaucracy, the more they lessen competition. How often have members of this House been told by small businessmen that they cannot carry on, and the final straw that breaks their backs is mounting governmental supervision and paperwork that they have to keep filing with some bureaucracy, mainly at the federal level. I have a client in my law office who is also a constituent and he has written to me in desperation.

Mr. Speaker, I see it is almost ten o'clock, but perhaps I could continue because I should like hon. members to know the plight of this relatively small businessman who feels that bureaucracy is essentially forcing him out of business in spite of the fact that he is earning only, on average, $20,000 a year.

However, may I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY—PRICE OF HOME-HEATING OIL IN OTTAWA AREA

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on March 5, 1974, at page 167 of *Hansard*, I asked a question of the Minister of Consumer and Corporate Affairs (Mr. Basford) which was answered in the usual fashion of passing the question to another minister, the Minister of Energy, Mines and Resources (Mr. Macdonald). That question dealt with the differential in home-heating oil that is charged to consumers in the Ottawa area notwithstanding the fact that one-half of the supply of oil was carried, before the pipeline was closed, by the pipeline which brought frozen-priced, western-oriented heating oil into the Ottawa area. As a result of this act of what I would

respectfully call malfeasance, consumers in the Ottawa area are being charged eastern offshore prices for domestically frozen-priced oil. The minister's answer was tentative. He suggested that the extra costs were incurred in part as a result of the refurbishing of the pipeline which was used for carrying the product.

● (2200)

Subsequently the matter was again raised in the House. I received a letter from the minister which indicates that his officials had conducted a study with regard to the price of home-heating oil in the Ottawa market. This the minister kindly sent to me. Having seen the document which purports to be the study undertaken by the officials of his department, I can only say, with the greatest respect to those officials, that this document ought not to be dignified by being called a study.

I am informed that 12 million gallons of heating oil were pumped into the Ottawa area through this pipeline during the first quarter of 1974. But the differential with regard to those 12 million gallons was 7 cents a gallon, which means that the total differential consumers in this area paid would amount to $840,000. If the differential were 5 cents per gallon, Ottawa consumers would have paid an extra $600,000 during that period. That being so, why has the minister suggested that it would appear the oil companies did not make a windfall profit?

Let me now deal with the reasons given for the differential. First, there is the refurbishing of the pipeline. I suggest that it is wrong in principle to charge consumers the cost of refurbishing the pipeline. Surely it is not up to Gulf or Imperial Oil or any other oil company to bear the cost of refurbishing the pipeline. This matter, obviously, should be included within the rates of the Interprovincial Pipeline company. So that reason is without foundation. Second, with respect to the cost of the product itself, there is a table attached to the minister's letter which shows the price of western Canadian crude oil and of crude oil entering eastern Canada. Those prices are $4.50 per barrel on the one hand and $6.50 per barrel on the other.

The table deals with transportation costs. If the minister relied on such an incomplete study as this one, and if the department was prepared to rely on such incomplete information, I suggest that the minister and the department virtually misled consumers in this area.

Another reason for the differential is listed under the heading, "Additional supply costs". Under that heading the table lists an item which reads, "Rail freight to Regina from Edmonton verus lake tanker from Clarkson to free supply for eastern Canada". Think about that for a moment, Mr. Speaker. Consumers in the Ottawa area are being asked to pay higher prices because, in effect, they are asked to subsidize the oil used by the rest of Canada.

The next item in the table reads, "Extra processing on Edmonton product transmitted with IPPL crude". The figure given is without foundation. It is not based on any report prepared by officials or the deputy minister. This indicates that this study was not undertaken with sufficient care. Actually, the government relied on information supplied by the companies and not on data it had gathered itself.

The pipeline is now closed. In my respectful submission, consumers of the area have been ripped-off and this government, which is really the friend of the major oil companies, the banks, the large corporations and other industries has once again demonstrated that frienship. In conclusion, I suggest the government should reconsider its decision to allow the pipeline to close. It could be used to bring in other petroleum products from the west such as gasoline and so help this area, assuming that gasoline is more expensive here than in parts west of here to the detriment of consumers.

Mr. Speaker, I am not satisfied with the answer given to me by the minister.

Mr. Herb Breau (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, never have I heard such demagoguery so late at night. The hon. member made an unsubstantiated charge on March 5 and he has twisted his words tonight to justify what he said which was not substantiated.

As you will recall, Mr. Speaker, the supply outlook for the Montreal area and the whole of eastern Canada east of the Ottawa Valley line looked rather serious late last year as a result of the Arab oil embargo. The government then considered a number of emergency measures to ensure minimum disruption of supply. Because the threatened shortage would centre on the large Montreal refinery complex, and because the Ottawa area is normally supplied from Montreal refineries, one of the emergency measures adopted was arranging an alternate supply for Ottawa. This was accomplished by opening up an unused link in the Trans-Northern pipeline to enable the delivery of petroleum products to Ottawa from Toronto refineries.

By this means an equivalent amount of oil was freed for use in the Montreal area where the supply shortage appeared most imminent. The pipeline was restored to use for this purpose in December and used in January, February and March. Because the overseas supply situation improved early in the year, Trans-Northern pipeline deliveries never had to exceed 12 per cent of the Ottawa area demand in those three months. In fact, they constituted only 8.5 per cent and 5.4 per cent in January and March. Supply conditions now appear to be returning to normal and there are no plans to use this pipeline for delivery into Ottawa in April.

Analysis of the cost experience of the two principal oil companies using this pipeline shows that for one of the companies the cost of supply by this route was more than the product delivered from Montreal on which the Ottawa price structure is based. For the other company, there was a saving of less than one-half a cent per gallon on the volume moved by the Trans-Northern pipe line. When this saving is weighted into the company's total heating oil trade in the Ottawa area, the supply cost saving amounts to one-tenth of a cent per gallon, an insignificant fraction of the Ottawa price of 33.5 cents per gallon.

The department has concluded, therefore, that there is no substance to the suggestion that low cost western oil is being sold in Ottawa at an excessive profit. In closing, I would add this: for the hon. member to say the Ottawa consumer should not pay the cost of refurbishing the pipeline is something I cannot understand. I wonder who he wants to pay for it.

[Mr. Baker.]

MANPOWER—OPPORTUNITIES FOR YOUTH PROGRAM—LEVEL OF BUDGET IN SUDBURY AREA

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise tonight to pursue a question I put to the Minister of Manpower and Immigration (Mr. Andras) on March 11 concerning the Opportunities for Youth program and the projected cutback for northern Ontario as compared with the rest of the province. I might say that the program has worked very well in my constituency and it has won the respect of the community. Sault Ste. Marie is one of the areas which pioneered the community advisory group.

With reference to the cutback in grants to northern Ontario I would draw the attention of the parliamentary secretary to the brochure prepared for applicants in 1974. On page four, this booklet states:

> Preference will be given to projects submitted by young people who need assistance in financing their education, who are members of low income groups, ethnic or racial minorities, native people, handicapped or who are from isolated communities or areas offering few employment possibilities.

Despite this stated policy, Opportunities for Youth, under the Department of Manpower and Immigration program for 1974, is planning to cut the Ontario budget by some 14 per cent. Funds available to northern Ontario will be cut by some 33 per cent. My question is this: how can the minister justify such a disparity since northern Ontario meets all the criteria to which I have just referred to a greater extent than does the rest of the province? Regarding the financing of post-secondary education, I would point out that 70 per cent of the graduates from the north central Ontario high schools go on to post-secondary education and need summer employment; they need assistance in financing their further education.

● (2210)

With regard to members of low income groups, the per capita income in northern Ontario is the lowest in the province. With regard to the ethnic, racial minorities and native peoples, the percentage of the population composing these groups ranges from 25 per cent in the district of Algoma to 45 per cent in the Sudbury district. With regard to the criteria for those living in isolated communities, 50 per cent of the population in northern Ontario live in towns of under 20,000 population, with vast distances between them. With regard to few employment possibilities, the minister's own department in a job market report for northern Ontario predicts that there will be high unemployment for youth in the north this summer.

Despite northern Ontario exceeding the criteria, the greater budget cut for OFY will hit the north rather than the south. I ask, Mr. Speaker, where is the justice, where is the concern, for the young people of northern Ontario under this projected budgetary allotment? I suspect that the new formula for funding is to blame for this situation. This new formula, as I understand it, is based on two criteria: firstly, the number of young people in an area, which has a one-third weighting factor; and secondly, the job availability index, which has a two-thirds weighting factor. But, Mr. Speaker, the Manpower statistics for

northern Ontario are not accurate as far as young people are concerned because there are few Manpower centres in the north and there are great distances between these Manpower centres. The result is that not as many young people are registered with Manpower centres in northern Ontario compared with the south. Therefore, there is a bias toward large urban areas in southern Ontario where young people are registered with CMC. It is projected that the penetration rate of CMC for youth applications for jobs is about 30 per cent in the north.

In conclusion, Mr. Speaker, I put two questions to the minister tonight. Firstly, how does the minister justify such budgetary discrimination against northern Ontario in projected OFY funding? Secondly, will the minister give a commitment here and now to restructure the OFY grant formula so that the disadvantaged north will receive its fair and just share of Opportunities for Youth grants?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, while it is true that most regions of Canada will receive less funds for the OFY program in the summer of 1974 than they did for the OFY program in the summer of 1973, I should like to reiterate the reply which my minister gave to the hon. member when he put his question on Monday, March 11, as reported in *Hansard* at page 353:

> The final sub-provincial allocations have not yet been struck.

In fact, although the share for the province of Ontario has been increased—that is, the proportion—the allocation will still be smaller than last year's. Last summer the Department of the Secretary of State funded 1,211 projects in Ontario at a cost of $8,929,843. However, hon. members on both sides of this House will be aware that the total budget for the OFY program of 1974 has been reduced from that of last summer. As my minister indicated in his letter to members of February 28, the budget for the summer of 1973 totalled $35,315,159, while $25,625,000 has been set aside, after costs of administration, for allocation under the 1974 summer OFY program. Members will recall that the letter also provided a table of the allocation of funds by province.

As far as the allocation for each labour market area is concerned, the answer of March 11 stands. I do not know where the hon. member got his information, but I do know that the preliminary figures that he provided are wrong and bear no relationship to fact even as preliminary figures. In fact, his figures are made up out of whole cloth. When the final allocation is made, it will take into account the freshest data on this year's employment opportunities available to students in each labour market area. At that time my minister will be happy to give hon. members the correct allocations for each labour market area.

I might add that the preferences which the hon. member quoted obviously refer to the distribution of grants within a particular labour market area and not to allocation within a province. They are not the criteria for sub-provincial allocation.

Adjournment Debate

EXTERNAL AFFAIRS—GARRISON WATER DIVERSION PROJECT—FEDERAL REPRESENTATION AT MEETING BETWEEN NORTH DAKOTA AND MANITOBA GOVERNMENTS—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise tonight to speak on a matter which is of much concern both to me and to the people of Manitoba. I am referring to the infamous Garrison diversion unit, a huge United States irrigation project currently under construction in North Dakota. This project has immense environmental implications for Canada as it will seriously degrade the water quality of Lake Winnipeg and two Manitoba rivers, the Souris and the Red. According to wildlife ecologists with the Manitoba department of mines, resources and environmental management, Manitoba will be the sewer of the project. It is thus imperative that the federal government continue to convey in a forceful manner Canadian opposition to the scheme.

To date, $60 million has been spent on the first phase of the project which is designed to channel great quantities of water from the Missouri River to irrigate some 250,000 acres of U.S. farmland. It is estimated that a further $500 million to $1 billion may be spent before the project becomes a reality. Incredible as it may seem, this money is being spent to irrigate 250,000 acres of semi-arid land that already supports workable dry land agriculture. Even more astounding is the fact that the dam and diversion project, with an awesome network of reservoirs, canals, roads and bridges, will consume nearly as much land, 248,000 acres, as will eventually be irrigated.

As was mentioned, the deleterious environmental effects this mammoth scheme will have on Canada are many. Run-off water from the project will be diverted into the Souris River and the Red River flowing from North Dakota into Manitoba. The salt content of the Souris will be doubled or even tripled, seriously polluting a river which currently serves as the water supply for the town of Souris and indirectly, through the Assiniboine River, Portage La Prairie. In addition, it is impossible for towns and cities to attract industry when the water supply is polluted.

Even more serious are the fish, bacteria, parasites, fungi and other junk that will flow into the Manitoba when the Garrison project joins the watersheds of the Missouri River and the Red River for the first time since the glacial age. As well, ecologists fear that the Garrison diversion will destroy 26,000 to 39,000 acres of North Dakota wetlands and threaten an additional 34,000 acres, which could seriously affect migration of Canadian waterfowl. The project could also alter the immigration patterns of the birds and interrupt their mating cycles. On top of this, the increased water flow could increase incidents of waterfowl poisoning. Scientists have also pointed out that nutrients flushed from irrigated soil in North Dakota will reach Manitoba, accelerating the growth of algae, and possibly turn Lake Winnipeg into another Lake Erie, thus destroying the fishing industry and recreational areas on the lake.

These are but a few of the potential environmental repercussions of the Garrison diversion unit. Even though the Garrison project was conceived by the United States government in 1965, it was not until April, 1969, that Canada formally acknowledged the existence of the

scheme with a message to the U.S. State Department. Nonetheless, it is to the government's credit that this message, like others sent in October, 1971, January, 1973, and October, 1973 asked the United States to stop work on the project, calling for a moratorium on construction. The government must now press for some definite answers from Washington. For while the latest reply from the Unites States stated that they would "comply with their obligations" under the boundary waters treaty of 1909, formulated by the International Joint Commission, construction continues at the Garrison site.

The possible pollution of the waters of the Souris River and the Red River resulting from the Garrison scheme would violate article IV of the boundary waters treaty and principle 21 of the 1972 Stockholm declaration on the human environment. Article IV of the treaty provides:

● (2220)

> The waters herein defined as boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.

Does this mean that the United States intends to halt construction? If so, when? When are we to get some final answers? When is this United States-Canada meeting regarding the diversion to occur? As yet the government has refrained from involving the International Joint Commission in the problem. Instead, negotiations are supposedly being conducted at the intergovernmental level.

In lieu of the apparent inertia characteristic of these intergovernmental negotiations, perhaps it might be wise to involve the commission in the discussions. After all, Manitobans need all the assistance they can get in fighting the Garrison diversion unit. This is because Premier Schreyer and the provincial NDP government have adopted a "wait and see" attitude, waiting to see what damage the inflowing waters cause before acting to correct the situation. Hon. members were probably as surprised as I was to hear Mr. Schreyer's comments regarding the scheme. After a meeting with North Dakota Governor Arthur Link and other American and Canadian officials concerning the project, Mr. Schreyer stated that his government intends merely to monitor the situation until it can be "proved conclusively that the project is having a harmful effect on Canadian waters". One has to wonder how much more proof the premier needs. Mr. Schreyer went on to say that in the meantime—

> There is no point agonizing and speculating and attempting to cause something to stop.

Thus, it appears that it is up to the federal government to defend the interests of the people of Manitoba and protect our province from becoming the sewer for another American dream.

In conclusion, I implore the federal government, specifically the Minister of the Environment (Mr. Davis) and the Secretary of State for External Affairs (Mr. Sharp), to continue to pursue the matter forcefully with the United States so as to achieve a halt in construction of the Garrison diversion unit pending a full investigation of all possible environmental effects on the waters of Manitoba.

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am pleased that the hon. member has supported the position we have taken in this matter. I assure him that we have been pursuing the matter fully, and intend to do just that.

It might assist the hon. member if I outlined the recent sequence of events relating to the Garrison project in North Dakota. Last October, Canada sent another in a series of notes to the United States state department outlining Canada's opposition to the Garrison diversion project insofar as it adversely affected the Canadian environment. It was our estimate at that time that the irrigation project in the Souris loop planned as part of the Garrison scheme would at least double and perhaps triple the average total dissolved solid content of the Souris River entering Manitoba.

Our diplomatic note contended that such degradation of the waters would violate article IV of the boundary waters treaty which prohibits trans-boundary pollution to the injury of health or property. This note was sent with the full knowledge and support of the Manitoba government. On February 5, the United States replied that no work currently under way under the Garrison project would affect Canada, and that no work would be undertaken that might affect Canada unless it was clear that the United States obligations under the treaty were met.

The United States note, which has been made public, concluded by suggesting a Canada-United States meeting on this matter when some further special United States studies have been completed. It is probable that this meeting will take place next month. On February 25, the governor of North Dakota, at his request, led a United States and North Dakotan delegation to Winnipeg to meet with Premier Schreyer. As the Minister of the Environment has already informed the House, federal Canadian observers were present and participated in the discussions. A communiqué was issued following the meeting, specifically stating that Manitoba welcomed the assurances of the United States state department that the United States would meet its treaty obligations not to pollute Canadian waters to the injury of health or property.

I can state categorically that the Canadian and Manitoba governments have worked closely together throughout the history of this matter. Indeed, Premier Schreyer at the press conference following the meeting with the governor of North Dakota specifically stated that Manitoba had been well served by the federal government's efforts to stop or modify the Garrison project. Any suggestion that there is a difference in view between Winnipeg and Ottawa on this issue does not accord with the facts. We have been pursuing the matter forcefully and we will continue to do that.

The Acting Speaker (Mr. Boulanger): Order. The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House is adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Friday, March 15, 1974

The House met at 11 a.m.

[*English*]

PRIVILEGE

MR. STANFIELD—ENERGY EXPORT TAX PROCEEDS AND EQUALIZATION—POSITION OF MINISTER OF FINANCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege arising from a report in today's *Globe and Mail* which states, among other things:

> Mr. Stanfield said Mr. Turner had promised the House and him privately that equalization would be paid on the export tax revenues in order to obtain Conservative support for the export tax bill passed in early January.

There was never any question of the Minister of Finance (Mr. Turner) making me or the House a promise to pay equalization. That is not the point. The point is that the minister said in the House on January 4 that equalization had to be paid. He referred to the transfer of the money, that is, 50 per cent of the proceeds from the export tax to be received by the producing provinces for October, November, December and January, and said:

> —As a result of the transfer of that money, those revenues will qualify under the Federal-Provincial Fiscal Arrangements Act as shared revenues and the bill to the Canadian taxpayer under the heading of equalization will be in the nature of $25 million.

This is not a question of the Minister of Finance making any promise to me; it is a question of a statement made in the House and to me regarding the basis on which, in respect of the bill before the House, we should consider whether or not to give the unanimous consent that he required in order that it could be considered and passed.

The minister emphasized to me in those early days of January, as he did in the House, the importance of the federal government going to the then upcoming federal-provincial energy conference with a free hand to negotiate at that conference, and that if the federal government were to continue the commitment it had made in respect of the export tax for the first four months, with all that money going either directly or indirectly to the producing provinces, the federal government would be faced with very large equalization payments for the months of February and March because of the very large jump in the size of the export tax. Under existing law very large sums would have to be paid out of the federal treasury and, therefore, financed by the federal taxpayers unless some agreement to the contrary could be negotiated at the then forthcoming conference.

The Minister of Finance took the position with me that he could not put the federal government in the position of having to make large equalization payments in respect of the months of February and March and therefore could not commit himself to earmarking the entire 100 per cent of the proceeds from the export tax for February and March for the oil producing provinces. The minister emphasized that he must have half the proceeds from the tax for the months of February and March in the federal treasury without strings because of these equalization requirements and also because of the money that might be required in terms of price cushioning in the eastern provinces. I thought the minister's position and his request, in terms of the equalization provisions and price cushioning, were reasonable and that he should be given unanimous consent on the basis of 50 per cent of the proceeds from the export tax for February and March going into the federal treasury without strings. We gave that consent.

Since then the federal government has changed its position with regard to the receipts by the producing provinces from the export tax being subject to equalization. The Prime Minister (Mr. Trudeau) stated in the House last week that the government's position is that these receipts by the oil producing provinces are not subject to equalization. Recently the Minister of Finance denied in the House that he ever said they were subject to equalization.

● (1110)

In view of the change in the position of the government, I believe that both the House and myself are entitled to some explanation in view of the fact that the House and myself were invited to take a position on the basis of certain statements in this regard by the Minister of Finance which has since been completely reversed. The newspaper this morning mentions a document, supposedly a confidential document, from the Deputy Minister of Finance which, if it is genuine, seems to confirm that the position of the Minister of Finance and of the government in January was that these portions of the receipts from the export tax received by the producing provinces were subject to equalization.

I want to say two things, in fairness to the Minister of Finance. The first is that he now seems to admit, on the basis of what I also read in the press, that he did say what he said in fact in the House on January 4 of this year, that is, that the payments received by the provinces for the months of October, November, December and January were subject to equalization and that this would cost the federal government $25 million. The minister now seems to admit that he did say that and that it was not a conditional statement on his part. I want also to say that the minister, since our exchange the other day, indicated to me that he wanted to see me personally and discuss this matter. He tried to see me yesterday without success because of my own commitments. However, I believe that not only am I but the House is also entitled to an explanation, in view of the representations made in the House in the course of a debate on a bill and the representations made to me in the course of negotiations leading to unanimous consent, of why the position stated by the govern-

ment in January has been abandoned without the slightest explanation in the House.

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Stanfield: It is not a question of the government having promised anything to the House with regard to the equalization matter or having promised anything to me. It is a matter of statements made.

I must say I am disappointed in the Minister of Finance. I am disappointed in the government. I hope the government and the Minister of Finance will make a full statement to the House at the earliest possible opportunity explaining why the government changed its position and at least offer the House some apology for making representations to the House which were asserted early in January and in respect of which the position has since been completely changed.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker—

Mr. Speaker: Order, please. Perhaps the Chair will allow the Prime Minister to reply to the statement made by the Leader of the Opposition on a question of privilege. I am sure that the Leader of the Opposition does not want me to rule whether there is privilege in the sense that the matter might be referred to a committee. I would be inclined, of course, not to make a ruling because there is no motion suggested or remedy proposed. Normally in such circumstances the minister or member whose conduct is referred to in a statement based on privilege is allowed to reply. The minister is not here at this time. I am not sure whether it might not be better to allow the minister to reply on some other occasion. The right hon. Prime Minister indicated he wanted to reply on behalf of the government. I take it that it is not only the minister but the government that is impugned or referred to in the statement made by the Leader of the Opposition. Perhaps it might be better to allow the matter to rest for the time being.

* * *

PERFORMING ARTS

ANNOUNCEMENT OF PROGRAM OF CAPITAL ASSISTANCE GRANTS

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, the federal government's programs to encourage the arts during the past few years have had a profound effect on the cultural life of the country. This has manifested itself through the burgeoning demand of Canadians for access to the work and performances of our artists in all sectors of our cultural life. Nowhere has this demand been more acutely felt than in the area of the performing arts. As a result, many of our performing arts organizations are faced with the problem of expanding their facilities to meet this demand.

I am pleased, therefore, to announce that a program of capital assistance has been established to enable the government to act on some of the more pressing applications for capital grants. The first grants will go to the Centaur Theatre in Montreal, which will receive $350,000; the Shaw Festival at Niagara-on-the-Lake, which will receive $300,000; and the Orpheum Theatre in Vancouver, which will receive $1 million.

Some hon. Members: Hear, hear!

Mr. Faulkner: The federal contribution to the cost of renovating the Orpheum Theatre, the new home of the Vancouver Symphony Orchestra, will be paid over three years beginning in 1975. At the same time, I would like to announce a grant of $1 million toward building a new home for the Citadel Theatre in Edmonton. These funds will be paid in 1975-1976 and 1976-1977.

The basic criteria for this new capital assistance program will be as follows: first, the grants will be available for well established organizations whose artistic and managerial competence has been proven. Second, there will have to be evidence of the organization's ability to meet the operational costs connected with a new or improved facility. Third, careful consideration will be given to the impact that any expansion program is likely to have on the situation of other artistic groups and facilities, to its over-all usefulness and to its relevance to the performing arts in Canada. Fourth, there will have to be adequate financial partnership among federal, provincial, municipal and private sources.

Over the years, the government's investment in the development of the arts in Canada has paid excellent returns. The benefits to the people of Canada far outweigh the dollars spent. I am confident that these measures I have announced today will result in further development of our national artistic life, as well as in greater access to the performing arts for all Canadians.

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, we members of the Official Opposition support in principle the statement made by the minister. I am also sure that the minister will understand our satisfaction that this statement was made today in the House of Commons. I sincerely hope that the minister made this announcement today about these grants only after close consultation and co-operation with the associations and people concerned.

[*English*]

With regard to the grant to the Orpheum Theatre in Vancouver, I certainly know how much members of the Official Opposition from British Columbia have worked toward this end, as did the hon. member for Edmonton Centre.

Some hon. Members: Oh, oh!

Mr. Grafftey: Just look at their mail.

Some hon. Members: Hear, hear!

● (1120)

Mr. Grafftey: There is one thing I would like to mention in terms of the criteria outlined to the House by the minister this morning, and I am not saying it too critically.

The minister mentioned that this kind of subvention—I am not confusing it with the Canada Council per se—is going only to theatre groups, performing arts groups that have already established their viability and ability to carry on. I understand it in this context, but in terms of cultural assistance in general, which does include the Canada Council, I think that too often we pay attention to groups already under way. I think the minister and his officials could do a better job in discovering struggling artists who are excellent and need help. This has been a problem over the years in regard to government assistance to the arts, and I would like to emphasize it again today.

I would also like to draw the attention of the House to the Speech from the Throne in which the government announced its intention to make many changes in council assistance to science, the humanities and the arts. I am sure this will affect the minister's department and the Canada Council. We are very concerned, whether it be artistic or cultural assistance or assistance to the humanities, that this be done in close consultation with all members of the House. Apart from that, we certainly welcome this announcement by the minister today and congratulate him on it.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, like the hon. member for Brome-Missisquoi (Mr. Grafftey), on behalf of my party I would like to welcome the announcement of the Secretary of State (Mr. Faulkner) today on the new capital assistance program. I know that this is going to be welcome news to the many members of the House from British Columbia who belong to my party, and who have also worked diligently on this matter.

Some hon. Members: Oh, oh!

Mr. Rose: Announcements such as this are always welcome, because no one shoots Santa Claus. However, in passing, may I say that I feel that possibly the Vancouver civic administration made a little error. They asked for $2 million and got $1 million. I think they might have been wiser to ask for $3 million and receive $2 million, because all of us should be reminded that actually the total expenditure required to save this theatre in Vancouver Centre—

Mr. Basford: Hear, hear!

Mr. Rose: —has a price tag of some $6 million, meaning that probably $4 million must still be collected from other sources, probably civic and provincial.

As I say, I am pleased with the announcement of this new capital assistance program. However, we really do not know anything about the nature of the program, its parameters, how long it is intended to be in force, what is the total funding required over the years, and other interesting little details that I am sure we will all be anticipating.

I think it should also be said that while we appreciate assistance to the arts in the major centres of the country we should keep in mind that there are many smaller communities that desperately need facilities. Without adequate facilities it is very difficult for artistic organizations to develop anywhere except in the major centres. Artistic enterprises seldom can stand on their own. Historically they have not done so, but that does not mean they are any the less necessary. I agree with the minister when he says that the money has been well spent over the years and has contributed positively to our cultural identity and development.

May I say one final thing, Mr. Speaker. It is no secret, as was mentioned by the hon. member for Brome-Mississquoi (Mr. Grafftey), that we have tended to direct the largest part of our artistic funds to well-established names in Canada. As a result, I think we have tended to overlook the grass roots in the arts. I mean by that amateur community theatres, ballet and folk arts, band and orchestral groups which urgently require a national secretariat to be located in Ottawa to act as a clearing house for organizational and administrative purposes. A request for such a secretariat, tentatively called Marius Barbeau House, has been before the Secretary of State's department for nearly three years, but there has been no action taken.

I say again that I am pleased with the minister's announcement today, although it may smack a bit of ad hockery without an adequate assessment of the long-term plan. However, we welcome the announcement that the government is embarking on long-term capital assistance to artistic enterprises.

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I can only agree with the initiative that the Secretary of State (Mr. Faulkner) has just announced. In a civilization which aims at more and more leisure, it is obviously very important that the government assume its responsibilities in order to allow all the citizens of the country to have access to the arts.

In view of the increasing interest in the arts and the higher unemployment rate, for instance, more and more people have the time to go to the theatre.

The government must democratize the arts, that is to say enable the people to participate in them.

However, there is one problem that is not solved either by building or renovating a building, and I mean the cost people often have to pay to go to the theatre.

The government is making an effort to enable the whole population to cultivate itself.

When speaking of art, one often gets the impression that its centre is found in Europe and elsewhere, and that there are few things of international artistic character in Canada.

The government must encourage artists in every way so that Canada can prove to the whole world that it has as many artistic opportunities as any other country.

* * *

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

T4 SLIPS ISSUED TO WILLIAM CAMPBELL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. Realizing that Canada is working toward the metric

system I am unaware that there was any intention of altering the Gregorian calendar, which in effect is what the Cape Breton Development Corporation and the Sydney Steel Corporation have done. Apparently they now have a 13-month year. Added to that, Devco has accepted financial responsibility for payments to Mr. William Campbell from the Sydney Steel Corporation. In view of this particular financial arrangement I move, seconded by the hon. member for Cape Breton-The Sydneys (Mr. Muir):

● (1130)

That this House instructs the Auditor General to inquire into and report upon to this House the circumstances under which Cape Breton Development Corporation and the Sydney Steel Corporation issued 1973 T-4 slips to Mr. William Campbell, as both claim to be the employer, although Mr. Campbell was never employed by Sydney Steel Corporation and the total income amount recorded on these T-4 slips exceeded the amount of Mr. Campbell's 1973 income.

Mr. Speaker: The hon. member's motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the hon. member's motion cannot be put.

Mr. Bell: On a point of order, Mr. Speaker, the hon. member who said no was not sitting in his seat.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, inasmuch as two committees of the House have given me 100 per cent support on this issue involving the Cape Breton Development Corporation and as the member who declined the motion was not in his seat when he said no I think that in all fairness the motion should now carry.

Some hon. Members: Hear, hear!

Mr. Speaker: I think the hon. member will recognize that not only one member said no. I heard quite a number of nays. To satisfy the hon. member and the House, and because the hon. member seems to think he has a good point, I will inquire again. Is there unanimous consent?

Some hon. Members: No.

* * *

ENERGY

OIL EXPORT TAX REVENUES AND EQUALIZATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I also wish to make use of this extraordinary remedy under Standing Order 43. The pressing and urgent circumstances of the matter and the reason why this procedure is being used instead of the ordinary procedure to obtain what I seek will be evident from the motion itself, the facts indicated in the statement made by my leader today, and the report in the press. If the House will allow me to pursue this search for truth, I would move:

[Mr. MacInnis (Cape Breton-East Richmond).]

That this House orders the government and the Minister of Finance to immediately produce and table all documents, letters and memoranda or copies of the same which are now or were in the possession of the minister or any member of the government or any government official dealing with the question of revenues from the oil export tax bill qualifying as equalization payments under the Federal-Provincial Fiscal Arrangements Act.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

LABOUR RELATIONS

STRIKE AT UNITED AIRCRAFT PLANT, LONGUEUIL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I rise under the terms of Standing Order 43 to move a motion of pressing and urgent necessity. In view of the protracted and bitter strike now in effect at United Aircraft at Longueuil, Quebec, and in view of the fact that this large American conglomerate is threatening to move most of the production of the PT-6 engine to its plants in the United States, I would move, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

That the House urge the Minister of Labour to meet with his counterpart in the province of Quebec in an attempt to obtain an immediate and just settlement of this dispute, to ensure that the production of the engines necessary for our STOL aircraft is continued in Canada and not removed to the United States.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

BEAUTY PAGEANT

REPLACEMENT OF MISS CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, as the Miss Dominion of Canada Pageant has replaced the reigning Miss Canada with the fifth runner-up of the 1971 contest instead of with last year's first runner-up, Miss J. Olson, from Delta, British Columbia, I would move under the provisions of Standing Order 43:

That this House ask the Prime Minister to intervene and correct this injustice to Miss Olson and save the integrity and respect of future Miss Dominion of Canada contests.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

CANADA MANPOWER AND IMMIGRATION COUNCIL ACT

PROVISION FOR ESTABLISHMENT, APPOINTMENT OF MEMBERS

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved for leave to introduce Bill C-12, to establish a Canada Manpower and Immigration Council.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—INQUIRY AS TO LEGISLATION TO DEAL WITH PROBLEM

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the government House leader. As the Prime Minister yesterday was unable to tell the House what effect the amendments to the Combines Investigation Act would have on inflation, can the government House leader now tell us if the government is going to introduce bills to deal with inflation and other problems mentioned in the Speech from the Throne within two weeks?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I would help the hon. member by referring him to the exchange between the Minister of Consumer and Corporate Affairs and the hon. member for Saint John's West with respect to the relationship between the competition bill and the question of inflation. I think the connection is clear from that exchange. We have only two days before March 26 for government legislation. Following the first supply period, it will be possible to bring forward a number of bills affecting food production in Canada. I am sure my hon. friend would agree that food production has a direct relationship to the general question of price levels.

Mr. Gillies: Mr. Speaker, may I direct a supplementary question to the Minister of Consumer and Corporate Affairs. Has he prepared legislation and does he have legislation ready to introduce immediately to do something about the escalating cost of living?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, there is a bill before the House which I think will make an important contribution to dealing with this matter. The government, as has been said on other occasions by the Prime Minister and other ministers, will be prepared to take the necessary steps that are required by the circumstances.

Mr. Gillies: Is the legislation ready, and can the minister tell us today when it will be presented?

Mr. Gray: Mr. Speaker, I think this is something for the leader of the House to comment on because the matter of legislation pertains to the government generally.

* * *

SHIPPING

INQUIRY AS TO LEGISLATION TO RESERVE COASTING TRADE FOR CANADIAN SHIPS—WITHDRAWAL BY CANADA FROM BRITISH COMMONWEALTH SHIPPING AGREEMENT

Mr. Paddy Neale (Vancouver East): Mr. Speaker, in the absence of the Minister of Transport may I direct my question to the parliamentary secretary. In light of the minister's public statement of September 28, 1973, that legislation would be forthcoming to ensure that the Canadian coasting trade would be reserved for Canadian registered bottoms, and as no reference was made to this legislation in the recent Speech from the Throne, would the minister tell the House whether he has changed his position in this regard and, if not, when the legislation will be introduced?

Mr. Joseph-Phillippe Guay (Parliamentary Secretary to Minister of Transport): Soon, Mr. Speaker.

Mr. Neale: In keeping with the assurances the minister gave the House on November 20, on December 17 and again on March 7 of this year, can the minister confirm that notice has been served on the government of the United Kingdom of Canada's intention to withdraw from the British Commonwealth Merchant Shipping Agreement and, if not, will the minister tell the House when that notice will at last be served?

Mr. Guay (St. Boniface): Mr. Speaker, the minister is away on government business today. He will be back in the House on Monday and I am sure he will be pleased to answer the hon. member's question.

* * *

● (1140)

[*Translation*]

FINANCE

PREDICTED FIFTY PER CENT LOSS IN BUYING POWER OF CANADIANS—POSITION OF GOVERNMENT

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, since the Minister of Finance is not present, I direct my question to the Prime Minister.

The economists of the Royal Bank of Canada declared recently that ten years hence, the Canadian dollar would be devaluated by 50 per cent, thus causing a similar drop in the buying power of Canadians. Has the Prime Minister read this report and, if so, what action does he intend to take to limit this expected loss of buying power?

Oral Questions

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot speak for the minister and say whether he is aware of the document the hon. member is referring to, but I will inform him.

* * *

[*English*]

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—ASSISTANCE TO APPLICANTS BY PROJECT STAFF—CONSULTATION WITH LOCAL PEOPLE

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Manpower and Immigration. It relates to the Opportunities for Youth Program for this year which comes under his jurisdiction. In view of the fact today is the final date for the submission of applications for Opportunities for Youth projects and in a number of provinces there have been no program or project staffs since the beginning of the year, in what way have young people in these various provinces been assisted either with regard to clarification or formulation of submissions which must be in by midnight tonight?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, there has been considerable publicity about the Opportunities for Youth Program for this summer and the availability of funding. Staff has been available to assist those people who wish to submit or design projects. I do not think it has been handled any differently than in the past. We anticipate a number of good project applications.

Mr. MacDonald (Egmont): I know the minister would not want to mislead the House. He must be aware of the fact that in Prince Edward Island and I believe in New Brunswick and other provinces there have been no project staffs since the first of the year. It has been virtually impossible for young people to be informed of the nature and details of this year's Opportunities for Youth Program. What assistance will now be given, even at this late date, and in what way will the young people be assisted so that this year's program will operate at the level of previous years?

Mr. Andras: Mr. Speaker, I do not anticipate any undersubscription to the funding of OFY. I will re-examine the exact location of our staff, as indicated by the hon. member, and if in any way I have been incorrect in my assumption I will communicate with him and alleviate the situation. At the moment, I do not consider this to have been an inhibition.

Mr. MacDonald (Egmont): When I asked the minister earlier about constituency advisory groups, he advised there would be no groups and that local people would be consulted. Will the minister indicate which local people will be consulted, the basis on which they will be selected and why in fact such constituency groups were not organized in view of the strong recommendation to this effect by OFY staff as early as last fall?

Mr. Andras: Mr. Speaker, representatives of social agencies, community organizations, citizens groups, municipal

[Mr. Caouette (Charlevoix).]

and township officials, federal and provincial government field staff, groups of individuals with specific competence or expertise in the area of project submissions, and members of parliament who indicate their willingness, desire and availability to be consulted, will be contacted.

Mr. MacDonald (Egmont): By whom and when?

Mr. Andras: By our OFY staff.

Mr. MacDonald (Egmont): You have no staff. How can you contact anybody?

Mr. Andras: On the second part of the question with regard to constituency advisory groups, I think I indicated in my letter to all hon. members that the allocation was based on the breakdown of 33 market labour-management areas rather than precisely the constituencies. In some cases these market areas will cover as many as eight or ten constituencies. Because of the difficulties that arise from that distribution in terms of a constituency advisory group, plus the lower amount of funding, plus the time element and because of administrative expenses involved in advisory groups, we decided that it was not practical this year to have constituency advisory groups.

OPPORTUNITIES FOR YOUTH PROGRAM—VALIDITY OF FORMULA FOR ALLOCATION OF FUNDS AMONG PROVINCES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. Will the minister examine the validity of the formula by which the allocation of funds between provinces was made this year? Surely a formula that produces a sharp relative cut resulting in a smaller allocation to the four Atlantic provinces, the Yukon and the Northwest Territories must be faulty, considering the fact that unemployment is higher in those areas than anywhere else in Canada.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am satisfied that the formula and the statistics behind the formula are more precise and accurate than we have ever used in the past. I will be glad to go into more detail as to how it operates, although it might be necessary to do that on another occasion when dealing with estimates or, if hon. members wish, individually.

OPPORTUNITIES FOR YOUTH—REQUEST FOR PUBLICATION OF PROGRAM EVALUATIONS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my supplementary is also for the Minister of Manpower and Immigration. In order that the whole House may be in a position to evaluate the program, and in light of the minister's letter to me earlier this week indicating an intention to hide from public view the official evaluation of last year's OFY program, will the minister give a commitment now to publish any evaluations that are undertaken regarding this program, and, will he tell the House what possible justification he can offer for keeping secret from parliament the results of that expensive assessment last year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have not departed from any established practice with regard to the release of documents. These are internal documents. I believe there was a thorough discussion of this in the last session of parliament. I believe our views were aired before parliament.

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LABOUR RELATIONS

ROTATING STRIKES BY MEMBERS OF AIRLINE EMPLOYEES ASSOCIATION—INTERVENTION BY MINISTER TO SETTLE DISPUTE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Minister of Labour relating to the rotating strikes taking place today in Halifax, Montreal, Sept-Iles, Vancouver, Victoria, Toronto and Hamilton. Can the minister bring us up to date as to what form the rotating strikes are taking? Mediation does not seem to be bringing about the desired result. Is the minister now prepared to personally look into this matter? Also, will he advise what special initiatives he is taking with regard to the problems that now exist at Charles de Gaulle airport in France where there seems to be some friction at the present time?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I can advise the hon. member that, as he is no doubt aware, mediation efforts were going on yesterday and are again going on this morning. The report I received roughly one hour or so ago seemed quite optimistic that this dispute may be settled and the implications involved that the hon. member identified will no longer be with us.

DISPUTE BETWEEN SEAFARERS UNION AND LAKE CARRIERS ASSOCIATION—INITIATIVES BY MINISTER TO ACHIEVE SETTLEMENT

Mr. Lincoln M. Alexander (Hamilton West): Can the Minister of Labour advise the House about another industrial dispute of some importance? If negotiations between the Seafarers Union and the Lake Carriers Association break down, the opening of the St. Lawrence Seaway on April 1 will be affected. What special initiatives has the minister taken with regard to this matter in order that amicable settlement may be reached?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, perhaps I am an eternal optimist. I also had discussions with various people concerned in this dispute. I am also hopeful that any type of breakdown at a crucial time such as April 1 will be avoided by a settlement.

Mr. Speaker: The hon. member for Fraser Valley West. Is it a supplementary?

Mr. Rose: It is not a supplementary, Mr. Speaker.

Mr. Speaker: Perhaps the Chair might allow the hon. member for Winnipeg North a supplementary.

ROTATING STRIKES BY MEMBERS OF AIRLINE EMPLOYEES ASSOCIATION—SUGGESTED REORGANIZATION OF AIR CANADA LABOUR RELATIONS DEPARTMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to ask the Minister of Labour whether he and the Minister of Transport have discussed or are considering discussing with senior officials of Air Canada the fact that this is not the first dispute with a group of Air Canada employees, there having been disputes with the machinists and airline pilots, and whether there needs to be a thorough look at and reorganization of the whole labour relations department of Air Canada so that the public will not be faced with recurring stoppages, rotating strikes, slowdowns, work to rule and so on?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I have had discussions with the Minister of Transport of the general nature that the hon. member has described. I would also advise the hon. member that extensive changes are going on within the industrial relations department of Air Canada. We are hopeful these will have beneficial results in the future.

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TRANSPORT

PROPOSALS TO CABINET FOR NEW TRANSPORTATION POLICY

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is for the Prime Minister. Yesterday all members, especially those from western Canada, were intrigued by the statement of the Minister of Transport that he had failed to win the cabinet over to his side or had not yet presented his proposals to cabinet regarding the improvement of Canada's transportation system. Can the Prime Minister tell the House when these proposals are likely to be before cabinet and how soon a decision will be reached on this very important matter?

● (1150)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member must be referring to a series of measures which the minister and, indeed, the Speech from the Throne indicated would be necessary and would be taken. Some have already been before cabinet and have been announced; for instance, the increase in rail cars to the tune of some 2,400 through repairs. Others are yet to come and will be announced in due course.

RAILWAY FREIGHT RATE INCREASE ON STEEL—GOVERNMENT ACTION

Mr. Mark Rose (Fraser Valley West): In view of the fact that certain gardes or classes of steel in the Vancouver market are double the price at which they sell in Montreal, and in view of the Minister of Transport's pledge to western premiers concerning a rollback of steel freight rate increases and his revelation last week of his lack of control over the railways, can the Prime Minister tell the House how we are going to effect such a rollback or exert more control over the railroads and when legislation, if

legislation is indeed necessary—I think it is—will be introduced in the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there have been various occasions in the past when the minister has obtained from the railway companies changes of position or new positions, which he obtained from them merely by talking to them in a nice, amiable way. In other cases legislation may perhaps be required, and if this happens we will introduce that legislation.

* * *

GRAIN

POSSIBILITY OF REDUCTION IN NUMBER OF ELEVATOR DELIVERY POINTS FOR FARMERS IF ENCOURAGED TO TRUCK THEIR GRAIN LONGER DISTANCES

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is along the same lines and concerns the transportation of grain in western Canada. It is directed to the minister responsible for the Canadian Wheat Board. Yesterday, in reply to the hon. member for Vegreville on the matter of the boxcar shortage in the movement of grain in western Canada, the minister stated, as reported on page 503 of *Hansard*:

> We are looking at other means including the possibility of encouraging farmers to haul grain longer distances in their own trucks—

Did the minister mean by his reply that he is going to continue to pursue a policy of fewer grain elevator delivery points for farmers in western Canada?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker. The issue at the moment is to try to find any means which will allow for the fast turnaround of available rail power and cars. It is true that certain rail lines allow for a much faster pickup, and therefore turnaround, or cars. In this kind of emergency situation, therefore, it might make sense—I stress the word "might"—to invite farmers, I assume with compensation, to move grain farther distances themselves in order to get this faster turnaround. This would be, of course, quite apart from any question of making this kind of program permanent.

Mr. Stewart (Marquette): A supplementary question—

Mr. Speaker: The hon. member will be recognized for one supplementary and then the Chair will see the hon. member for Victoria.

DATE OF ANNOUNCEMENT OF LONG-TERM POLICY FOR MOVEMENT OF GRAIN

Mr. Craig Stewart (Marquette): As the government has put a freeze on the closure of all branch lines until January 1, 1975, and as the CNR and CPR will not announce their plans for these branch lines until the government announces its long-term policy for the movement of western grain, when will the government be announcing its plans so that the farmers and the elevator companies will know what their future is on these branch lines?

[Mr. Rose.]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we have been undertaking a very important program of consultation with the producers and the various parts of the industry involved. The Canada Grains Council has a committee at work attempting to assist in this effort, all of which is designed to lead toward the goal of a policy that meets the needs and real interests of farmers and communities in western Canada. That is the objective. While I am as impatient as the hon. member to see the results of that consultation, the consultation is by no means complete and I am not able to forecast at this point when a decision can be made on the basis of complete consultation.

* * *

NATIONAL DEFENCE

REQUEST FOR INQUIRY INTO COST OF NEW DDH-280 DESTROYERS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, in the absence of the Minister of National Defence my question will be directed to the right hon. Prime Minister. In view of the fact the government stated that the total cost of the four DDH-280 destroyers, including all components, would be $170 million and the minister now states that the cost thus far, without all components, is $287 million—and the end is not yet in sight—would the Prime Minister consider instituting an inquiry to determine why these ships will have a cost overrun in excess of $30 million per ship?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will gladly look into the matter and raise it with the Minister of National Defence.

Mr. Speaker: The hon. member for Kootenay West on a supplementary.

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GRAIN

USE OF PORT OF PRINCE RUPERT FOR EXPORT SHIPMENT

Mr. Randolph Harding (Kootenay West): Mr. Speaker, my question is supplementary to the previous question and is directed to the Minister of Justice in charge of the Wheat Board. In view of the fact that little grain has been directed to the port of Prince Rupert, with only 320 cars being unloaded in February of this year compared with 1,660 cars in February of last year, would the minister advise whether more grain will now be directed to that port in order to offset some of the grain shortage and relieve shipping congestion at Vancouver harbour?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the port of Prince Rupert is used whenever that does add to over-all handling capacity. Last year, as a result of the tremendous movement of grain, it was used very effectively indeed. The directing of grain is very often in the hands of the elevator companies that have received it and are moving it for cleaning purposes and is not controlled by anybody else. The Wheat Board can, of course, bring pressure to bear on them whenever they can show that some

additional movement is possible, but it is true that, under this arrangement, when a smaller amount of grain is moving Prince Rupert tends to suffer first.

* * *

HEALTH

PRESENCE OF DES IN UNITED STATES CATTLE IMPORTED INTO CANADA

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I have a question for the Minister of National Health and Welfare which is related to the present illogical situation with respect to the use of DES—diethylstilbestrol. In view of the fact that DES has been banned from use for finishing cattle in Canada, and in view of the fact cattle finished with DES are in fact entering Canada, will the minister immediately recommend that an embargo be placed on all livestock and livestock products from countries where DES is allowed?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I submit that my hon. friend is misinformed. To the best of my knowledge, no United States meat treated with DES is entering Canada now.

Mr. Holmes: That answer is really not very reassuring, because cattle are now entering Canada finished with DES. Can the minister assure the House and the Canadian people that he has in fact established a program to inspect all imports of livestock and livestock products from those countries permitting the use of DES, and can he assure the House and the Canadian people that such a program will prevent the entry of DES contaminated livestock and livestock products into Canada?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I already told this House we are consulting with American government representatives and with the Minister of Agriculture so as to establish regulations that will prevent the importation of DES meat products.

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CONSUMER AFFAIRS

INCREASE IN PRICE OF BREAD—NEGOTIATIONS WITH WESTON BAKERIES

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I should like to put a question to the Minister of Consumer and Corporate Affairs.

As a result of his differences with the bread industry, can he report how his campaign for the boycott of Weston bread is going on?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I made a suggestion to that effect when it was possible that Weston Bakeries Limited would increase their bread by 4 cents, but at my request they did not do so. It was then unnecessary to follow that suggestion.

[*English*]

MULTICULTURALISM

ALLEGED GIVING OF ADVERTISING CONTRACT TO NEW CANADIAN PUBLICATIONS OF MONTREAL WITHOUT TENDER

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the minister responsible for multiculturalism. Can the minister tell the House whether New Canadian Publications of Montreal was given without tender an advertising contract to place government advertisements in the ethnic press, and whether the minister's acquaintance, Stan Martin, who I believe is now executive assistant to the minister has now or has had in the past any financial or familial connection with this firm?

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, Mr. Martin is no longer an acting executive assistant in my office as of February 28 last, and the advertising program for multiculturalism was given to another firm.

* * *

● (1200)

INDUSTRY

COPPER—PRICE INCREASE BY NORANDA—REPRESENTATIONS TO SECURE ROLL-BACK IN VIEW OF PROFIT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is addressed to the Minister of Consumer and Corporate Affairs. In view of the announcement yesterday by Noranda Mines that it has increased the price of copper both for use in Canada and for export, and bearing in mind that Noranda Mines has had a 75 per cent increase in profits already this year, will the minister say whether it is the intention of his department to contact this company and demand that it immediately roll back the price increase on copper in this country?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think this question would come more properly under the Department of Industry, Trade and Commerce, but I will be pleased to discuss this with the minister.

COPPER—SUGGESTED IMPOSITION OF PRICE CONTROLS—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in view of the fact the minister is not here I should like to direct my supplementary question to the Prime Minister. Keeping in mind the increase in the price of copper and the 75 per cent increase in profits by Noranda, I should like to ask whether it is the intention of the government to impose selective price controls on copper used in this country, particularly in view of the fact that 54 per cent of the production is used here domestically, and this would be of great help to the consumer?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would like to look into the matter before giving a reply. I missed the previous exchange, but the hon. member is no doubt aware that there have been cases in the past where the federal government, through the then

Minister of Industry, Trade and Commerce, did obtain a price in Canada for copper from the Canadian refineries which was lower than the world price or the London Exchange price. This may be a situation which could be looked at again.

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CAPE BRETON DEVELOPMENT CORPORATION

ALLEGED ERRONEOUS ISSUANCE OF T4 SLIPS—REQUEST FOR INVESTIGATION

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Prime Minister. In view of the fact the House leader has a copy of my earlier motion and I have the T4 slips available to show the errors, why would the government deny to Mr. William Campbell, and others in similar circumstances, the services of an officer of this House in order to investigate these injustices?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the connection between the premise to the question and the question itself is a bit esoteric, but I will look into it and try to understand the sense of the question.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, inasmuch as the Prime Minister continues to make the same promise in respect of Devco legislation and as the Minister of Justice has gone far afield, will he give the Minister of Justice a sabbatical leave in order that he may catch up on the law?

Mr. Trudeau: Mr. Speaker, I am glad to see that the hon. member is back from his sabbatical leave.

Some hon. Members: Oh, oh!

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege. I should like to assure the Prime Minister that I am back on him, too.

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PERFORMING ARTS

REQUEST FOR RECONSIDERATION OF APPLICATIONS FOR GRANTS MADE PRIOR TO ANNOUNCEMENT OF GUIDELINES

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I have a question for the Secretary of State, and I should like to compliment him on the introduction of a new performing arts policy. In view of the fact that the policy he announced today has a retroactive effect on those who applied prior to and during the preparation of the policy, not knowing the ground rules, and as hundreds of thousands of dollars have been raised and in some cases spent, will he undertake to give serious consideration to reviewing each of these earlier applications with a view to judging them on their merits, notwithstanding the new guidelines?

An hon. Member: Especially the Sarnia Ballet.

Mr. Cullen: Especially the Sarnia Arts.

[Mr. Trudeau.]

Hon. James Hugh Faulkner (Secretary of State): Yes, Mr. Speaker, but I think in fairness to those groups, and I know how strongly the hon. member feels about the Sarnia application, it is important that we stick to the guidelines as that is precisely why we introduced a policy of having guidelines under which groups can respond, rather than carrying on in the ad hoc fashion we had been following in the past.

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SPORTS

SUGGESTED PROHIBITION OF TELEVISING OF NATIONAL FOOTBALL LEAGUE GAMES IN CANADA TO PROTECT REVENUES OF CANADIAN FOOTBALL LEAGUE TEAMS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Since the government has indicated that, if necessary, it is prepared to introduce legislation to prevent the World Football League from operating in Canada as a means of protecting the revenues of Canadian Football League teams, in the interests of consistency does the government now intend to advise the CBC not to use its national network to broadcast NFL games on Sunday afternoons at the same time that CFL games are played, in order to maximize the television revenues of the CFL?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take that question as a representation by the hon. member and will look into it. It may be a helpful suggestion.

Mr. Hees: Mr. Speaker, in view of that non-answer, as usual, by the Prime Minister, will he advise the House why it is that the government is prepared to engage in measures to set up a monopoly aimed at preserving the earnings of the business organizations that control and operate CFL teams? Would you give me an answer to that?

* * *

AGRICULTURE

REQUEST FOR ASSURANCE NO CATTLE TREATED WITH DES IMPORTED INTO CANADA

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Can he confirm that there are no cattle to his knowledge coming into this country that have been treated with DES?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I should think that any feeder who is using DES under the laws of the United States following the lifting of their ban would be foolish, because there would be no efficiency in doing that in respect of cattle shipped into Canada. However, I do not think anyone can guarantee that there are or are not such cattle coming in.

EXTERNAL AFFAIRS

FRANCE—FORCED ABANDONMENT OF CANADIAN FORCES BASE AT MARVILLE—INQUIRY AS TO COMPENSATION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. Has Canada ever received compensation from France in respect of our being kicked out of Marville and, if not, why not?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have not received compensation and we are still pressing for payment.

FRANCE—SUGGESTED EFFORT TO OBTAIN COMPENSATION IN CONNECTION WITH "GREENPEACE III" INCIDENT

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, does the Secretary of State for External Affairs intend to seek reimbursement of $12,000 from France to recoup the fee for bringing the *Greenpeace* back to Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, not specifically, but we are seeking compensation from France for the damage done to Mr. McTaggart's eye.

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PERFORMING ARTS

FREEZING OF GRANTS TO ARTISTIC ORGANIZATIONS—REQUEST FOR RECONSIDERATION—SUGGESTED TRANSFER OF OPPORTUNITIES FOR YOUTH GRANTS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Secretary of State. Is the minister in a position to confirm the announced intention of the Canada Council to freeze grants for established artistic organizations such as the National Ballet and, if so, will he agree to ask the council to reconsider this potentially disastrous decision?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, that issue is now before the standing committee. I think it is very important to recognize the point made by the Canada Council, that there is a limit to the extent to which the Canada Council can be viewed as the sole funding agency for established and existing arts organizations. What the director said to the committee is, I think, an important point, that the private sector's contribution to the performing arts in recent years has dropped. I am suggesting that performing arts organizations and others who support them should start looking to other places for funding as well.

Mr. Hellyer: Mr. Speaker, in view of the fact that private donations are dropping off due to excessive government taxation, and in view of the fact—

Some hon. Members: Oh, oh!

An hon. Member: And the high cost of living.

Mr. Hellyer: —that capital grants for the construction of new buildings are useless and such buildings could become mausoleums if at the same time the government chokes off those living, breathing organizations for whose use they are intended, will the minister make representations to his colleagues to the effect that some of the Opportunities for Youth grants or other funds be made available to the Canada Council in order that it may adequately support the existing recognized institutions of greatness and new entrants and individuals as well?

Mr. Faulkner: Mr. Speaker, I think it should be clear that we are continuing to support both for the very reasons the hon. member has mentioned. The question at issue is how fast or how rapid the rate of escalation of Canada Council funding should be in respect of established organizations as opposed to trying to respond to very new and exciting developments in the theatre such as the hon. members for Fraser Valley West and Sarnia-Lambton mentioned. What the Canada Council has said is that it wants to respond to these new organizations and will continue to fund established organizations to an extent more generous than any other level of government or the private sector, because it is aware of their importance, but that the rate of increase will not be as great.

Mr. Hellyer: Mr. Speaker, I have one final supplementary.

Mr. Speaker: Order, please. The hon. member has asked two questions and I will certainly recognize him again, but I wonder how long this very interesting cultural debate should be continued when so many members are still seeking the opportunity to ask questions. The hon. member for Trinity will be recognized for a last, living, breathing supplementary.

Mr. Hellyer: Thank you, Mr. Speaker. In view of the fact that no artistic or other organization can continue with frozen grants in current dollars with the 10 per cent inflation rate, could the minister explain what it is about the Canadian mentality which, all too often, at the very moment when Canadian organization reaches the threshold of greatness, the bureaucratic hatchet is applied in a sadisticly destructive way?

• (1210)

Mr. Speaker: Order, please. The hon. member asks a supplementary that invites the minister to make a statement which I am afraid could not be made before we reach the end of the question period.

Mr. Hellyer: On a question of privilege, Mr. Speaker, this is absolutely fundamental. We build in Canada over a period of 25 years an organization from the grassroots that reaches the point where Canadians can be very proud of it. It can travel anywhere in the world and is recognized as being on the threshold of greatness. Why is it that someone always comes along with a hatchet?

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar.

Oral Questions

AGRICULTURE

SUPPORT FOR BEEF PRODUCERS—GOVERNMENT POSITION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. In view of the continued uncertainty as to prices and returns to beef producers and the bad effect this may have on consumers and housewives in Canada, can the minister tell the House whether he has arrived at any decision or conclusion on whether he will give support to the beef producers of Canada and the form it will take? Can he tell us how soon he will make a statement.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I attended a meeting with representatives of the beef producers of Canada and representatives of the total industry this morning. The meetings are continuing at the present time and I hope to be able to announce something later this day.

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INQUIRY OF THE MINISTRY

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Justice. Since the beginning of this parliament has he had consultations with the Leader of the NDP, the hon. member for York South, relating to the establishment of a coalition Liberal-Socialist government? My question is based on the statement made by the premier of the province of Manitoba this week.

Hon. Otto E. Lang (Minister of Justice): The answer is a straightforward no. I have not seen that statement.

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AGRICULTURE

FERTILIZER—POSSIBLE SHORTAGE OF DI-CALCIUM PHOSPHATE—GOVERNMENT ACTION

Mr. William C. Frank (Middlesex): Mr. Speaker, I should like to address my question to the Minister of Agriculture. In light of the fact that fertilizer ingredient suppliers can find a more financially lucrative market in the United States for the product Di-calcium phosphate and our own fertilizer industry will also be pressuring and demanding its supply, can the minister assure the fertilizer manufacturers that their important industry will not necessarily suffer from the anticipated shortage that now appears to be shaping up, which if allowed to materialize will have an immediate impact on the cost of food?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are investigating this bit of information to find out just what we can do and where we can find the product to make sure that it is made available to the producers. I cannot say any more at this time because we are still in the throes of the investigation. We only received this information last week.

[Mr. Speaker.]

COMBINES

REASON FOR FAILURE TO CHARGE DIRECTORS OF CEMENT COMPANIES IN BRITISH COLUMBIA

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Justice regarding the pleas of guilty by seven cement companies in British Columbia. In view of the fact the fines were the largest ever levied under the Combines Investigation Act can the minister advise why none of the directors of the seven companies were charged?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, in each case when a combines matter is looked at the question of the charging of the companies or the directors has to be considered very carefully. I will be glad to refresh my memory as to the exact analysis in this particular case and comment further to the hon. member.

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AGRICULTURE

ALLEGED ANNOUNCEMENT OF LIVESTOCK INSURANCE PROGRAM—REQUEST FOR CLARIFICATION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the fact the minister has just returned from my riding where the papers carried the headline, "The Undaunted Minister of Agriculture"—

Some hon. Members: Hear, hear!

Mr. Hurlburt: —and in view of the fact Webster's Dictionary interprets "undaunted" as "fearless, undismayed and bold"—

Some hon. Members: Hear, hear!

An hon. Member: Right on.

Mr. Hurlburt: —I would ask the Minister of Agriculture if he would now be bold enough to inform the House about his announcement in Lethbridge of a new national livestock insurance program whereby the consumers will pay part of the risk taken by the cattlemen?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, whether or not the hon. member knows it, we pay 50 per cent of the crop insurance premiums and that includes everybody in Canada and everybody is a consumer.

Mr. Hurlburt: I should like to ask the Minister of Agriculture about his new policy because I was not referring to crop insurance. I was referring to the losses taken by cattlemen in our area.

Mr. Whelan: Mr. Speaker, earlier in the program today I said I would be making—

An hon. Member: What program?

An hon. Member: Early show.

Mr. Whelan: Call it program, early show or whatever you want to call it. I just recently said I hoped later today to get permission—I did not say I would get permission but was going to ask permission—to make an announcement about what we intend to do about aid to the beef producers of Canada.

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MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—CRITERIA FOR ALLOCATION OF FUNDS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Manpower and Immigration relating to earlier questions concerning Opportunities for Youth. With regard to the funding formula for manpower subregions is the number of youth registrations at Canada Manpower centres a criterion for allocation of funds for OFY and, if so, what is the weighted factor of this criterion?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe I set forth the formula in my letter to members. One-third of those funds are being distributed across the country through the 33 labour-management areas strictly on the basis of the population of young people between 15 and 25 years of age. The other two-thirds is to be distributed on a youth job availability index which reflects the population of youth in that age group and the availability of jobs for which they are qualified.

Mr. Speaker: Order, please. We are reaching the end of the question period. Perhaps the Chair might recognize the hon. member for Central Nova for one question and then call orders of the day.

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PUBLIC SERVICE

REGIONAL PAY DIFFERENTIALS—REQUEST FOR ACTION TO CORRECT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I will make it a very brief question to the head of the Treasury Board. Can the President of the Treasury Board say if he has any concrete action pending to reduce regional pay disparities for employees under Treasury Board jurisdiction in this country in view of the present inequitable situation?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the question appears to be based rather on a misunderstanding—

Mr. MacKay: Not misunderstanding.

Mr. Drury: I correct that. I should have said lack of knowledge. As I indicated in the House the other day, it is the policy of the government to try to achieve local parity in wages and salaries rather than parity on a national standard.

Mr. Speaker: Orders of the day.

Is the hon. member rising on a point of order?

Mr. Muir: On a supplementary, Mr. Speaker.

Mr. Speaker: The hon. member will appreciate that I refused a supplementary a moment ago to the hon. member for Sault Ste. Marie so that I would have a chance to allow one question by the hon. member for Central Nova. I wonder whether we might allow, rather, a point of order to be raised by the hon. member for Medicine Hat, after which I will call orders of the day.

Mr. Hargrave: Thank you, Mr. Speaker. My point of order relates to the remarks made by the Minister of National Health and Welfare about DES. I would like him to know that the implant form of DES is not only available in the United States but is in active use there and that in last week's 10,000 to 11,000 head of imports from that country and in this week's probable imports of 9,000 to 10,000 it is highly probable that some implanted cattle are coming into Canada right now.

● (1220)

Mr. Lalonde: Mr. Speaker, on the same point of order, I do not want to leave this statement on the record unchallenged. I want to stress that I am informed that we do not anticipate that meat or live cattle that has received DES treatment in the United States would be available for export to Canada before at least the 1st of May this year. So if the hon. member has some cases in mind, perhaps he could bring them to my attention.

Mr. Speaker: This was not a point of order but a point of debate. I am sure the hon. member appreciates this and so does the minister.

Mr. Yewchuk: Mr. Speaker, I am sorry to take up the time of the House on this matter, but I rise on a question of privilege to express my displeasure at not being allowed to pursue a line of questioning which I wanted to develop. I feel that my right to speak in this House on behalf of the constituents of Athabasca has been denied. The line of questioning was one of some significance since it dealt with the matter of conflict of interest which I think is important not only to Athabasca but to the whole country, and I simply wanted to let you know that I was unhappy about it.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—SUGGESTED IMPOSITION OF SELECTIVE PRICE CONTROLS AND ROLLBACK OF UNJUSTIFIED PRICE INCREASES

Mr. Terry Grier (Toronto-Lakeshore) moved:

That this House calls on the government to consider the immediate introduction of legislation designed to control selectively the prices of essential commodities and to give either to the government or to a

prices review board the power to roll back unjustifiable price increases.

He said: The purpose of this motion is to focus on two principal missing components in the government's anti-inflation policy. The first missing component is the power to rollback or prohibit unjustified price increases, and the second is to enable the selective control of prices of essential commodities. I emphasize that these are not the only components of an anti-inflation program and that there is in fact no single magic answer. But in our judgment these are the major missing components. Of course one might have dealt with such other features of an anti-inflation policy as programs leading to the extension of supply of commodities, to an exchange rate policy and to measures to protect the unsheltered in our society, those on low and fixed incomes, the unemployed, and so on.

The Canadian people recognize that some prices and costs are justifiable and reasonable and that there are other prices and costs, principally those of imports, which we cannot easily affect. But there are many prices which it is within our power to deal with, such as those of essential commodities produced or grown in Canada the price of which can be controlled without hardship to Canadians; for example, oil. Canadians will recognize as well that there are other types of price increases which are merely rip-offs, prices that are based upon the theory of charging what the traffic will bear.

Our motion this morning meets both of these problems head on and challenges this parliament seriously to deal with the fundamental problems of inflation. Has the need for rollback powers ever been more obvious than it is today? I think, for example, of the proceedings we have gone through in the last two or three weeks with respect to proposed bread price increases. We have a situation whereby the Food Prices Review Board established by this parliament asserted that only a two cent increase was justified. When the bakers said they were going to go ahead with their increase, we asked the minister what he was going to do. He waffled, he wobbled, he evaded. Of course, he had to do that because he did not have the power of rollback. I ask the government what its reaction will be if after next Wednesday's meetings of the Food Prices Review Board the bakers proceed with their previously announced intention to raise their prices to four cents, against the recommendations of that board and the better judgment of the Canadian people.

We have seen the price of beef at the retail level unresponsive to dropping prices at the farm gate. We have seen the price of steel rise and the price of sugar rise astronomically. We have seen the price of lumber and of other commodities increase because of what can be gained from seling the products abroad. I cannot say in all frankness at this moment to what extent price increases in all these commodities, and others which I might have named, are or are not justified, but I do know that in some cases the lack of justification seems clear. At a time when world demand-supply imbalances are creating substantial upward pressure on prices the temptation here in Canada to take advantage of that situation and to charge what the traffic will bear will be a great one. So will be the temptation to cash in some extra profits, to stretch margins a little further, to tack on a few cents and another few cents.

[Mr. Grier.]

We can see these few cent increases adding up over a period of time to a substantial sum of money.

Parliament's problem, the question that this House must face, is how we make sure that this temptation is resisted. I suggest we do so by empowering the government or some agency of the government to hold in reserve the explicit, unmistakable power to rollback prices and by being prepared to see that power is exercised as often and as forcefully as is necessary. We meet that problem by being ready to intervene, not indiscriminately but justly, and when increases cannot be justified, to roll them back if they have taken place, to prohibit them if they have not.

I suggest that there is among the Canadian people a mood of deep suspicion that something is wrong and that its cause is being covered up and not dealt with. Why else, they ask, would the government refuse to give itself this obvious, this commonsense power to intervene? What creates this suspicion? It is that at a time when consumer prices are going up and consumers themselves, especially the great majority who are on middle low or fixed incomes are really feeling the pinch, the business community, those from whom people buy the products and services they use, are doing very well indeed.

I want to direct the attention of the House to some profit figures. Corporate profits in 1973 were 40 per cent to 50 per cent higher than in 1972, according to a *Globe and Mail* study published last month, and may I mention in passing that 1972 was a very good year as well. As a percentage of the gross national product, profits rose to 12.4 per cent—their highest level since 1952. At the same time, wages and salaries as a proportion of the gross national product were down appreciably from their 1971 peak.

● (1230)

The same *Globe and Mail* study last month gave an informative breakdown of corporate profit increases in various sectors of the economy. Here are some of its findings, based on a representative sample of industry: profits in base metals went up almost 400 per cent in 1973 over 1972. Chemical companies enjoyed a profit increase in 1973 of 35 per cent. The construction and building materials sector enjoyed a profit hoist of 56 per cent, and the food processing sector a percentage increase over the last year of 50 per cent. Industrial mines showed an almost unbelievable increase of 569 per cent. Oil refining showed an increase of 42 per cent. The paper and forest products industry enjoyed a profit increase of 344 per cent. Real estate profits were up almost 100 per cent over last year. In the steel industry profits were up an average of 36 per cent, and western oils up 28 per cent. The total percentage profit increase of all companies sampled was 42 per cent in the year 1973 over 1972.

The *Globe and Mail's* analysis of these figures included the point that:

The strength in corporate profits continues a trend that began in the second quarter of 1971, but the pace accelerated considerably in 1973.

If we look at individual companies at random we find the following kinds of profit increase: Imperial Oil, 45 per cent; Shell Oil, 42 per cent; Gulf Oil, 58 per cent; Dome Petroleum, 83 per cent; Falconbridge Nickel, 770 per cent; International Nickel, 107 per cent; Noranda Mines, 75 per cent; Crown Zellerbach, 136 per cent; Consolidated Bath-

urst, 221 per cent; Domtar, 133 per cent; Great Lakes Paper Company, 375 per cent; George Weston Limited, 86 per cent; Canada Packers, 36 per cent; Dominion Dairies, 31 per cent; Dominion Stores, 30 per cent; M. Loeb, 73 per cent, and Toronto-Dominion Bank 25 per cent. The story is the same in sector after sector—for the corporations very substantial profit increases, for the Canadian people very substantial price increases. The conclusion is inevitable. Canadians must be prepared to see effective government intervention to ensure that the consumer is protected.

As well, Mr. Speaker, there have been a number of other circumstances, perhaps coincidental, although I do not think so, in recent months to deepen the suspicion of the Canadian people that there is something seriously wrong in the economy, and that it is to be found in the decision making capacity of the corporate sector.

For example, there was the Alberta Supreme Court ruling last September ordering Canada Safeway to restrict its operations and reduce its market domination in Calgary and Edmonton. There was the Prices Review Board report of last September referring to a worrying lack of competition in some sectors of the food industry. There was the fining of Browning Arms Company in Toronto last September for resale price maintenance, the fining of Dominion Stores for misleading advertising, the Food Prices Review Board's criticism of the pricing and selling practices of the bakery industry, the *Globe and Mail's* report of a fine of $432,000 levied by the British Columbia Supreme Court against seven cement companies in that province, including the country's largest ones, for price fixing and other violations of the Combines Investigation Act. Four cement firms are now being prosecuted in Ontario for similar offences. Price fixing charges have been laid against 74 of the best known general insurance companies operating in Canada, relating to the sale of fire insurance in Nova Scotia. Canada's three largest sugar refiners, convicted of price fixing only a few years ago, are once again before the courts on similar charges.

Is it any wonder that the Canadian people feel sceptical about this parliament's determination to deal with the problem of pricing policy and profit policy? I ask that, because against this background what has been the government's response? The government set up a Food Prices Review Board upon the recommendation of the Special Committee on Trends in Food Prices. But its own spokesmen on that committee would not agree to recommend that the board be given the powers of rollback, and neither would the Conservatives on the same committee. We must ask ourselves whose side are they really on?

An hon. Member: George Weston's!

Mr. Grier: So, Mr. Speaker, the Food Prices Review Board has no powers of rollback. It has no powers to enforce its recommendations. But it can, and it has recommended. And when it does recommend, as it did two weeks ago in the matter of bread price increases, the government threshes about, with the minister evading, playing for time, ducking and doing nothing, and doing nothing very unclearly.

Some hon. Members: Hear, hear!

Mr. Grier: Why doesn't the government act to give itself the power of rollback? Why doesn't it tell the bakers, "That is it." It is because it has not asked parliament to give it the power of rollback. And if it did, Mr. Speaker, if the government came before this House I venture to suggest it might get that power. And if it did not, then we would truly find out whose side the members of this House, in their separate parties, are really on.

Some hon. Members: Hear, hear!

Mr. Grier: We have repeatedly asked the government, the minister and the Prime Minister (Mr. Trudeau): when are you bringing in these powers? Are you considering bringing in these powers? As I said the other day, the evasiveness of the Minister of Consumer and Corporate Affairs (Mr. Gray) on this matter is a by-word in parliament. And the Prime Minister, who surely must be the chief spokesman for the government on this matter, ever since last May has also evaded the crunch. He suggested, as he did on May 8 last, that it would be the intention of the government "to take action on any reasonable proposition put forward" by the Food Prices Review Board, and "if legislation is needed in order to act as recommended," then of course the government would present it to the House. That was on May 8. We have had nothing since.

On August 13 he said to this House:

> In the event that the Board reports that significant instances of profiteering have occurred which the parties concerned are unwilling to correct voluntarily, the government will seek parliamentary authority to undertake corrective action.

On September 4, he reinforced that quasi-commitment.

On November 2, in answer to the hon. member for York South (Mr. Lewis), he said that if these people "refused to take the action that we thought was necessary for the welfare of Canadians, then we would intervene."

On February 27 the Speech from the Throne referred to the government's intention "to prevent any group or groups from taking undue advantage of the current situation at the expense of others," which is unmistakably a reference to the subject matter to which I am addressing myself this morning.

Then, on March 12, in answer to a question I posed to him, the Prime Minister again indicated his intention to come soon before parliament with a request for some kind of power. How soon, I asked him, and he again replied soon. Well, Mr. Speaker, today, Friday, is soon, surely soon enough for the Prime Minister to bring in the kind of legislation which he himself has admitted the government is considering.

It is not just a matter of the Prime Minister coming into the House some afternoon, faced with the defiance of a company refusing to roll back prices, and saying, "O.K. fellows, lets do something about it." Before the government can act it must request from parliament the power to so act. I suggest to you, Mr. Speaker, that the government has repeatedly refused to accept the logic of that position. It has refused to ask parliament to give it contingent power so that, when a case arises, it may intervene.

I remind the House that the government took precisely the kind of step I am referring to, in dealing with the energy crisis last December and in January of this year. It

asked parliament to empower it through a stated mechanism to act in defence of the Canadian consumer in respect of oil prices should the case arise. And parliament gave it that power. Why not ask parliament now for similar powers?

● (1240)

Mr. Speaker, last fall I introduced in the Committee on Trends in Food Prices a motion which called upon that committee to recommend to parliament that the powers of the Food Prices Review Board be strengthened by giving it the ability to require the rollback of unwarranted price increases. I had hoped that if government members would not lend their support to this motion, at least my hon. friends in the Conservative Party would. I remind the House, Mr. Speaker, particularly in view of reports on events that took place yesterday afternoon in the Committee on Miscellaneous Estimates, that on that and previous occasions neither Liberals nor Conservatives on the committee would agree to recommend to the House that the government give this power to the Food Prices Review Board. Why? Notwithstanding all their spurious objections, I suggest the reason is that the Conservatives are no more anxious than members of the government to challenge the traditional right of the business community to set prices as it sees fit and to call the shots in the marketplace.

Some hon. Members: Hear, hear!

Mr. Grier: All the twittering in committee and in this House will not disguise that fundamental fact.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Why don't you talk about last night in the committee?

Mr. Grier: I listened to the speeches made by members of the Conservative Party in this House to see whether they had something to offer Canadians in respect of the problem of inflation and I came to this conclusion: in the last year the principal and indeed only recommendation which distinguishes them from any other party in this House is their adherence to the notion of wages and prices control. As recently as two or three nights ago, the hon. member for St. John's East (Mr. McGrath) was interviewed on the CBC television network about the recent increase in the Consumer Price Index, particularly with respect to food. He said "Our approach is a prices and incomes policy", which is another way of saying wage and price controls. I will be very interested, when the hon. member speaks this afternoon, to hear how such a policy is going to change the price of potatoes in Canada, the price of sugar being imported, and the price of beef, and how it is going to affect the price of food in Canada, how that policy is going to affect the well-being of the Canadian people. I am tired of listening to the empty promises of the Leader of the Opposition who says that he has the will. He may have the will but he has not got the means or the policies. All he can offer Canadians is the most discredited economic strategy now alive in the world.

Some hon. Members: Hear, hear!

[Mr. Grier.]

Mr. Grier: A strategy, I remind him, which brought the British economy to its knees, which defeated the Conservative government in that country and which has been disproven in the United States as well.

Therefore, Mr. Speaker, since the proposals of the hon. member for Don Valley (Mr. Gillies) and his party make no sense economically, I ask myself why they are so hung up on wage control. I began to get the answer this week as I listened to the hon. member for St. Paul's (Mr. Atkey) speak on the competition bill and urge the government to apply the principles of anticombines legislation against the labour movement. I heard the hon. member for Prince George-Peace River (Mr. Oberle) in a private members' bill attack the principle of organized labour in Canada. I began to sense that the matter is quite simple: the Conservative Party does not like labour and is not interested in seeing the collective bargaining process take place.

An hon. Member: We don't like the abuses.

Mr. Grier: The Conservative Party is trying to persuade the Canadian people that the working man of Canada is not important. They want to control his wages and are pretending to Canadians that their discredited and misbegotten strategy is going to solve the problem of inflation. Mr. Speaker, at whatever political risk is entailed, I intend to say to Canadians—that is a bunch of nonsense.

An hon. Member: Yours is pure hypocrisy.

Mr. Grier: My hon. friends cry that I am being hypocritical. No one could know better than Conservatives the meaning of hypocrisy.

The hon. member for Don Valley has talked on a number of occasions about breaking inflationary expectations. He might better have said blunt bludgeoning of inflationary expectations. How does wage control break inflationary expectations? It would break the legitimate expectations of the Canadian people and wreck the economy.

Mr. Speaker, if you want to break inflationary expectations in this country I suggest you empower the government to intervene selectively to roll back those price increases which cannot be justified. You indicate to the business community in this country that you are serious about stepping in and protecting the consumer and at the same time you say, "Where your costs can be justified then we will not impose some unreasonable and artificial control". If the Conservative Party cannot see how that makes common sense, I beg to inform them that increasingly the Canadian people can see that it makes sense.

An hon. Member: How much more time have you got? We can only stand so much of this.

Mr. Grier: The motion before the House today does not deliberately insist that this power of rollback be necessarily invested in a Prices Review Board, although that would be our preference. Our concern is that this government or some agency of this government be empowered to act in the matter of rollback.

My hon. friends are so obsessed with titles and the names of agencies that they miss the main point. What we need is the power to intervene. The agency or mechanism which carries out the intervention is surely a secondary

consideration. We want the power to intervene to roll back prices; we want the power to prohibit price increases which cannot be justified and we want those powers invested either in a department of the government or in an agency established by the government.

I suggest, Mr. Speaker, that the government must now ask parliament for that power and not wait until the clear evidence of unjustifiability is upon us, as it may be by the middle of next week. Let us get that power now for action when necessary. I expect there is a lot of room for action.

Surely the kind of proposal I have made here today and which our party has made consistently in the last 18 months makes sense. You control selectively by stepping in and stopping those increases which cannot be justified. You use the power granted by parliament to protect consumers and the public interest. You do it fairly, not indiscriminately; you do it selectively, not across the board, but with judgment and justice. You challenge the traditional right of the business community so ably represented by my hon. friends in the Conservative and the Liberal Parties. You challenge their traditional right to call the tune; you end the markup rip-off, the profiteering; you build some fair play into the marketplace.

I wonder if my hon. friends understand the meaning of the term fair play. You say to consumers, "the government is on your side". You stop the evasive shuffling to and fro on the government benches; you end the twittering game playing in the official opposition and you get on with the job of fighting inflation in a realistic and tough way. I suggest, Mr. Speaker, that it is the only way.

Some hon. Members: Hear, hear!

Mr. James A. McGrath (St. John's East): Mr. Speaker, I am sorry the hon. member for Toronto-Lakeshore (Mr. Grier) did not ask for additional time, because we would have been favourably disposed to granting it. He put forward such a favourable argument in support of our position that we would have allowed him to go on for quite a while longer.

● (1250)

It must have occurred to the hon. member for Toronto-Lakeshore as he spoke in support of his motion that the government holds the hon. member and his colleagues in contempt. He need only look at the government benches. Where is the Minister of Consumer and Corporate Affairs (Mr. Gray)? Should he not be here when this most important motion is being debated? Where is the Minister of Finance (Mr. Turner)? Where is the Prime Minister (Mr. Trudeau)? Where is the minister's parliamentary secretary? Which government supporters are present? I see the Minister of State (Mr. Haidasz) who is responsible for multiculturalism, the Minister of Supply and Services (Mr. Goyer) and several other government supporters. That is a clear indication of the contempt in which the government holds members of the NDP, and rightly so. They have been prostituting themselves since the beginning of this Parliament. I cannot help but think—

An hon. Member: And where do the Tories stand?

Mr. McGrath: I cannot help but think of the hon. member for Toronto-Lakeshore as being like a first-class passenger on the *Titanic*.

An hon. Member: Where are the Tories?

Mr. McGrath: He is going down, but going down in style.

An hon. Member: Feeling lonely? Who supports your party?

Mr. McGrath: I can assure the hon. member that we are not lonely. We have the majority of the people of Canada supporting us.

An hon. Member: Not according to the Gallup Poll.

Some hon. Members: Oh, oh!

Mr. McGrath: The hon. member for Toronto-Lakeshore talked about the motion he moved in committee; he talked about the motion moved in the Committee on Food Prices. He wondered why we did not support his motion for giving the board power to roll back prices. Mr. Speaker, he read only part of his motion. He forgot to mention, for example, that the chairman of the board was to be replaced by a new chairman. That was part of the motion.

I will tell the hon. member that we did not support his motion then, nor will we support it now, because we have no confidence in the Food Prices Review Board and no confidence in this government.

Some hon. Members: Hear, hear!

Mr. McGrath: If we are to give any agency the kind of delegated authority the hon. member advocates in his motion, we will only give it to an agency, to a body, in which the members of the House have confidence. I submit to you that, like the people of Canada, the majority of members in this House, including the hon. member for Toronto-Lakeshore if he were honest with himself, do not have confidence in the chairman of the Food Prices Review Board or in the board itself.

Not only did the NDP move a motion in committee in November calling for the head of Mrs. Plumptre; the leader of that party last week, in a speech in Toronto, again called for Mrs. Plumptre's resignation. In addition, he called for the resignation of the Minister of Consumer and Corporate Affairs (Mr. Gray).

Mr. Hellyer: The party is totally inconsistent.

Mr. McGrath: In order to accommodate the leader of the NDP and the hon. member for Toronto-Lakeshore, my colleagues and I in the opposition yesterday put forward a motion in the Miscellaneous Estimates Committee whereby we would reduce the salary of the Chairman of the Food Prices Review Board to $1. Where was the hon. member for Toronto-Lakeshore and where were his colleagues when that motion was put forward? They were where they always are, supporting this government. So, they come into this House and speak with forked tongues, and then wonder why we cannot support their motion.

Mr. Hellyer: They are hiding in the closet with the skeletons.

Mr. Speaker: Order, please. I see the hon. member for Toronto-Lakeshore rising on a point of order.

Mr. Grier: On a point of order, Mr. Speaker, may I ask the hon. member, through you, if he will permit a question at this time.

Mr. Speaker: That is hardly a point of order. Perhaps the hon. member for St. John's East might be allowed to continue his speech.

Mr. McGrath: Mr. Speaker, I will gladly permit the hon. member's question, if he will permit me to call it one o'clock.

Some hon. Members: Agreed.

Mr. Speaker: This procedure is unusual. I do not see how the hon. member can ask his question if we call it one o'clock. I shall inquire if hon. members wish to call it one o'clock.

Some hon. Members: One o'clock.

Mr. Speaker: It being one o'clock, I do now leave the chair.

At 12.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. McGrath: Mr. Speaker, I had hoped to be able to give up the floor to the Minister of Agriculture (Mr. Whelan) who, I understand, will be making a statement later today.

Mr. Baldwin: He has to check it out with the NDP first.

Mr. McGrath: We look forward to that statement. Obviously, as my colleague said, he has to have it checked out first with the junior member of the coalition.

When the House rose for the luncheon recess, I was replying to the hon. member for Toronto-Lakeshore pointing out to him the weaknesses in his motion and why we feel we cannot support that motion in its present form. That is not to say we are not prepared to support any reasonable motion the New Democratic Party has to bring before this House. We realize the situation is urgent. We also realize this government has to be prodded into action before it will take steps to provide the kind of remedy necessary to cope with the very serious crisis facing this country today.

Let us take a look at the record. In the last session, the government opened parliament with this reference in the Speech from the Throne. This was in 1973. I quote:

> While food prices in Canada have steadied slightly in the last month or so, the Government is concerned about possible future effects of the world-wide trend toward higher food prices and will propose the setting up of a Joint Committee of the Senate and the House of Commons to make a special study of this problem.

A year has passed. That special study was undertaken by the Special Committee on Trends in Food Prices under the chairmanship of the hon. member for Sarnia-Lambton (Mr. Cullen). Time will not permit me to repeat the recommendations made by that committee in its three reports, but I think it should be pointed out that, in the main, the recommendations of that committee stand ignored. For example, the first recommendation in the first report called for special legislation setting up a Food Prices Review Board. Special legislation, given the make-up of this parliament, would have meant the House would have had some input into the terms of reference of the Food Prices Review Board. I submit we would have had today a meaningful review board with adequate terms of reference and adequate powers to deal with the problem facing the country today. Instead, the government ignored that part of the report, circumvented parliament and set up the board we now have under the authority of the Inquiries Act. The result is that the board, with all its imperfections, has no minister to whom to report. It does not report to this House; its reports are made public. Consequently, this House has no opportunity to comment on the reports, to study the reports or to call upon the board to explain its reports unless, of course, the government brings in a reference to the appropriate committee.

● (1410)

I should add that to cope with that situation we recommended in our last report, the third and final report of the food prices committee, realizing that as a special committee we would die with the end of the session, that the government immediately set up a standing committee on consumer affairs. We made that recommendation in order to ensure that there would be a standing committee of this House set up for the purpose of dealing with the subject matter of the hon. member's motion. More particularly we would have a standing committee of the House to which the reports of the Food Prices Review Board could be referred.

It is rather interesting that just a few days ago I asked the government House leader when he proposed implementing that final recommendation of the Special Committee on Trends in Food Prices, but the response that I received, Mr. Speaker, was anything but encouraging. As a matter of fact, the minister made it very clear that, in his opinion, there are already too many standing committees of the House, and he implied that for this reason he did not see how it could be practical to set up another standing committee. So now we have to carry on by having matters relating to the Food Prices Review Board either referred to the Standing Committee on Miscellaneous Estimates or to one of the omnibus standing committees, such as the Standing Committee on Health, Welfare and Social Affairs. I submit that this is just not good enough.

As for the other recommendations of the Special Committee on Trends in Food Prices, as I say, time will not permit me to list them all. However, we did recommend, for example, a school lunch program, a two-price system, and that the government get on with a special study of a food policy for Canada. All of the recommendations of the committee, with one or two minor exceptions—and these

are mainly recommendations dealing with consumer education—stand ignored.

Since that committee was set up, commencing with the reference in the Speech from the Throne at the opening of this 29th parliament, I believe the committee held 35 sittings, heard a vast number of witnesses from all segments of the industry, and was one of the hardest working committees I have ever been associated with in my experience in this House. All members of that committee from all parties took their duties seriously and worked very hard. Whilst we did not always agree, we always tried to arrive at a consensus, especially so far as our reports were concerned.

The only time we differed from that point of view and were not part of a consensus was in the presentation of the first report and the recommendation dealing with the Food Prices Review Board. We felt that that recommendation was not adequate. We felt then, and subsequent events have confirmed us in our view, that you cannot examine food prices in isolation. Let me tell my hon. friends that you cannot examine food prices and ignore the cost of labour. You cannot examine food prices and ignore the cost of shelter. You cannot examine food prices and ignore the cost of transportation. We know what happened in the area of transportation as a result of the so-called energy crisis and the increase in the price of diesel oil. So we differed with the committee in that one instance; but all of the other recommendations, and I think there were six in the first report, were unanimously approved by the committee.

So far as the second report was concerned, the second recommendation of the committee in that report—and this is unprecedented in my recollection—asked the government to get on with implementing the recommendations made in the first report. As I say, that has to be unprecedented. That should have been the last recommendation of our third and final report, namely that because of the seriousness of the situation we ask the government to get on with implementing all of the recommendations of the committee.

Since that time, Mr. Speaker, let us just see what has happened. Bread has increased by 22.5 per cent, meat by 21.7 per cent, beef by 25.2 per cent, poultry by 34.5 per cent, fish by 33.7 per cent, eggs by 26.2 per cent, and sugar by 71.6 per cent. That is what has happened since the government expressed its concern a year ago and announced that it was setting up a Special Committee on Trends in Food Prices.

The food prices committee is now gone: enter the Food Prices Review Board and the studies made by that board. Notwithstanding the limitations of the board, and notwithstanding all of its weaknesses and imperfections, the board has made somc very worth-while recommendations. We saw, for example, the report dealing with egg prices. That report made some very serious charges, especially in light of the fact that the Canadian Egg Marketing Agency and the egg marketing boards under its jurisdiction operate under federal government licence. The Minister of Consumer and Corporate Affairs (Mr. Gray) has washed his hands of it and has passed the buck to the Minister of Agriculture (Mr. Whelan), who in turn passed it to another agency, a farm products agency, and asked that agency to examine the charges made by the Food Prices Review Board. As I said in committee yesterday, that is like asking Henry Ford to examine automobile prices.

So far as the recommendation dealing with bread is concerned, last summer and in September the government brought in its subsidies on milk and bread. We were told at that time that there would be no further increases, that this would hold the line. We are now told that in addition to the three cents increase in the price of a loaf of bread just recently announced, milk is going to increase further in price. What happens to the government's subsidy program? Does it react with another ad hoc subsidy? Is the Minister of Agriculture going to get his feet wet today when he makes his statement and provides the House with another band-aid approach, another form of ad hoc subsidy, while the main problem goes ignored? I suspect that is precisely what he is going to do.

● (1420)

Let us now take a look at the Speech from the Throne in which the government announced that it would bring in a new food policy based upon three objectives: An adequate and dependable supply; reasonable prices for consumers and producers; and a continuous supply of export foodstuffs. All of those were recommended within a year by the food prices committee. What I want to know is when the government is going to be seized of the urgency of this situation. When is it going to be conscious of the hardship this imposes on the majority of the wage earners of this country who see their savings being eroded, daily, weekly and monthly by an annual rate of inflation which is now in excess of 10 per cent? The people of this country will not tolerate that kind of situation. This government, if it persists in ignoring the warning signals which are there, will do so at its peril.

I say to the hon. member for Toronto-Lakeshore, and his friends in the labour movement who are very much aware about what I am talking about, all one has to do is look at what is happening to average weekly earnings. The latest figures released by Statistics Canada indicate a progressively deteriorating situation. The average Canadian worker was earning a wage in the month of December that was approximately $5 less than the month before and only 5.9 per cent higher than in December 1972. When that is compared to the cost of living increase over the same period of 9.1 per cent, it is indeed obvious that whatever the workingman had managed in salary increases has been more than eroded by inflation. Is there any wonder there is labour unrest in this country today? The blame for a great deal of that labour unrest has to fall on the shoulders of not only this government but its junior partner in coalition, the NDP.

Some hon. Members: Hear, hear!

Mr. Cyr: Mr. Speaker, would the hon. member permit a question?

The Acting Speaker (Mr. Laniel): Does the House give unanimous consent to the hon. member for Gaspé (Mr. Cyr) to ask a question?

Some hon. Members: Agreed.

Price Control

Mr. Cyr: Mr. Speaker, I want to ask the hon. member whether he knows that the fishermen in the Atlantic provinces were receiving 5 cents a pound for cod last spring and that they were receiving 15 cents a pound at the end of November, 1973? In view of that, is the hon. member favourable to a price freeze of 10 cents per pound to the fishermen for cod in the Atlantic area this year?

Mr. McGrath: Mr. Speaker, I am glad the hon. member has asked me that question as it gives me the opportunity of saying that I agree with him that the price of fish to fishermen has gone up to 15 cents a pound, but the hon. member knows full well that the price to the processor has gone from 29 cents a pound to 70 cents a pound on the United States market. Who is getting a rakeoff in the fishing industry? Obviously, it is not the fishermen off the Gaspé coast and in the four Atlantic provinces who are receiving that increase, yet they are suffering as a result of the highest cost of living in the whole country.

Mr. Baldwin: Aren't you sorry you asked the question?

Mr. Alexander: Ask another one.

[*Translation*]

Mr. De Bané: Mr. Speaker, would the hon. member permit me a question?

The Acting Speaker (Mr. Laniel): Order, please. I would also point out to the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. De Bané) that the time allotted to the hon. member for St. John's East (Mr. McGrath) has expired. If he wishes to ask a question, he too will have to get the unanimous consent of the House.

[*English*]

The hon. member for Matane (Mr. De Bané) wishes to ask a question. He can only do so with unanimous consent. Does the House give unanimous consent?

Some hon. Members: Agreed.

Mr. De Bané: Mr. Speaker, I should like to ask the hon. member for St. John's East (Mr. McGrath) how he reconciles his last statement that the processors are making great profit with the statement last week by the Leader of the Opposition in the Senate, Senator Flynn, who said that the government should endeavour to make sure that companies make still more profit? Just who is speaking on behalf of the opposition party?

Mr. McGrath: Mr. Speaker, obviously the hon. member did not read closely the remarks of Senator Flynn, as he was talking about companies in general. Even Senator Flynn and the hon. gentleman would concede that corporations involved in food processing in this country have enjoyed considerable increases in profits, and this applies particularly to the fish processors in the Atlantic provinces which have been making a lot of money on the U.S. market. All I can say to the hon. member, as I said to the hon. member for Gaspé (Mr. Cyr), is that this money is not going to the fishermen.

[The Acting Speaker (Mr. Laniel).]

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

ANNOUNCEMENT OF SUBSIDY PROGRAM FOR BEEF PRODUCERS

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as I indicated this morning, I should now like to request the unanimous consent of the House to revert to motions for the purpose of making an announcement regarding assistance to beef producers.

The Acting Speaker (Mr. Laniel): The House has heard the request of the hon. minister. Does it give unanimous consent to revert to motions for the purpose of making a statement.

Some hon. Members: Agreed.

Mr. Whelan: Mr. Speaker, as hon. members are aware, Canadian cattlemen are facing a very difficult situation at the present time. Very simply, the problem is this: They have bought feeder cattle at very high prices, paid high prices for grain and other necessary inputs, and then have seen in the last few weeks a flood of United States cattle coming in, depressing the market and lowering their returns.

At current prices, cattle feeders are losing from $50 to $100 a head on each animal marketed. Canadian cattlemen need to be assisted in this difficult period if we are to have a viable beef industry in this country.

This government recognizes the importance of a viable agricultural industry to the country as a whole. In the throne speech it was made clear that a strong agriculture industry will assure consumers of a continuous supply of high quality food at reasonable prices. To maintain a strong agriculture industry, farmers must be assured of fair returns, returns which equate to the cost of production, plus a reasonable margin for labour and invested capital.

I am therefore announcing a program to assist Canadian beef producers. The federal government will pay a premium of 7 cents per pound live weight on all Canadian cattle for Canadian consumption, grading A1 or A2, retroactive to March 4. The 7-cent premium will also be paid on all A3 cattle slaughtered between March 18 and April 13 inclusive, and on all A4 cattle slaughtered between March 18 and April 6 inclusive.

Premium payments will be made to producers by processors who will then be reimbursed by the federal government. Retroactive payments will be made directly to producers by the Agricultural Stabilization Board on receipt of claims from producers.

This premium program is being instituted to meet four objectives: One, to assure top quality beef for the consumer; two, to prevent the price of beef to the consumer from rising; three, to tide cattlemen over a disastrous period where many would be bankrupted in the squeeze between higher cost of production and lower returns from the market; and four, to ensure a continuing supply of beef to the Canadian consumer, both now and in the future.

It should be emphasized that consumer prices will not be adversely affected as a result of the government's premium program. The premium program will be terminated when there is a return to a better and more stable market for cattle.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, notwithstanding the fact that a copy of the announcement by the minister has just been delivered to me, in view of the remarks and comments I have made over the last two weeks about the cattle situation I think it most appropriate that I respond at this time.

The 7-cent subsidy, and I think that is a much more realistic term than "premium", is the main thrust of the minister's announcement. Cattle feeders have suffered tremendous losses, beginning early last fall and continuing over the year end; they are still losing money. I should like to point out that the Canadian Cattlemen's Association did not suggest or ask last week for this subsidy approach in its presentation to the government. They did not make this suggestion because it would do nothing to stop or even slow down the massive flow of United States feed cattle into Canada. Last week there were some 10,000 to 11,000 head imported into Canada. The indications this week are that there will be about 1,000 less, somewhere between 9,000 and 10,000.

● (1430)

I suggest very sincerely that the announcement of this subsidy will be greeted with mixed feelings in the cattle industry across Canada this afternoon. Those who have sustained substantial losses, and are still sustaining them, will feel one way about it. That is pretty obvious. Those involved in the cattle-calf grass side of the operation, which is really the major or total, if you like, operation, are more inclined to take the longer view and want no part of this kind of subsidy approach. This announcement will do nothing to restore confidence in the total Canadian cattle industry which is so necessary at this time. I suggest even with this week's market upturn of about $2. to $3. in western Canada, and a little less in eastern Canada, the producers of beef cattle who are finishing them in the feedlots today are still $10 per hundredweight or 10 cents a pound below their minimum costs of gain. I know the minister is aware of this.

I think it is regrettable that the cattlemen's proposal for the longer term was not at least commented upon in a meaningful way in the minister's statement. I think it was a very reasonable and workable proposal. The cattlemen themselves had a tremendous amount of input from all over Canada in respect of this aspect of it. Admittedly, there is a longer term, but that is what we need in the industry. I wish to read a telegram delivered to my desk minutes before I came into the House this afternoon. It is from the Saskatchewan Association of Rural Municipalities. I believe the minister spoke at their meeting the day before yesterday. It reads as follows:

At a convention of the Saskatchewan Association of Rural Municipalities in Regina this week the following resolution was passed:

Whereas the cattle industry is recognized as a very important part of our agriculture economy and whereas the livestock feeders of Canada are in a very grave financial position and whereas the large importation of US fat cattle at this time is very depressing to our Canadian prices therefore be it resolved that as a means of alleviating the present situation that we support the Canadian Cattlemens Association, the United Grain Growers, the Canadian Federation of Agriculture, and other provincial organizations in their efforts to attain an immediate escalating tariff on beef cattle based upon reciprocal quotas with the United States.

This is signed by Mr. C. F. Mitchell, President of the Saskatchewan Association of Rural Municipalities. I am told that there were some 1,600 people in attendance at that meeting. This telegram was addressed to me, personally.

I suggest it is long-term policy for beef and cattle that will determine if retail beef prices are to be relatively cheap. I stress the word "relatively". The days of cheap food are long gone. The answer to relatively cheap food, and especially beef, is increased world production. But that increased production must recognize that farmers, including cattlemen, are entitled to reasonable profits. The alternative is decreased production combined with increasing imports and resulting higher beef prices. Once again we have the situation of a serious producer price drop and very little if any corresponding drop at the retail-consumer level. This is an old situation I know, but it is a most frustrating situation and is difficult for producers and cattlemen to understand when they are selling at the time of a downward trend in the market and do not see that price trend transferred reasonably quickly to the retail level. Surely this situation merits appropriate government action. This announcement is a stop-gap measure that will cost millions, I am sure, but really does not deal with the long-term cattle situation.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, whether or not the minister's announcement will stop the phone calls from Saskatchewan to Ottawa, we will know in a day or so. His announcement, in effect, is a short-term policy obviously designed as a bail-out policy to deal with the situation. It is the government's method of dealing with the situation as it sees it, but I believe its application will be limited. There is no floor. The seven cents will be in addition to whatever the market price may be the day the cattle are taken to market. I would judge by the fact that the minister is encouraging the A3 and A4 type of cattle that they will come to market and get the premium while it is still there, and that he hopes to get an increased amount of cattle from the feedlots to slaughter. The minister agrees. Whether or not this plan will work in the interest of the consumers remains to be seen.

I believe we need a stable industry. I think farmers who are in the business of raising feed cattle want to know what the return will be. They would like to know how long the program announced in this statement is to last. If they do not know how long it is to last, they may very well bring unfinished cattle to the market. They do not know whether or not there is a floor price. Obviously—and I repeat this because I think it should be repeated—this is a short-term program. I cannot particularly call into question, and do not wish to call into question the fact that the minister is using a deficiency payment or subsidy approach instead of a tariff approach. In the area I represent there are a great many ranchers and farmers who have to sell their feeder cattle across the border in the United States. We have a very large hog operation and the United States is a very considerable part of the market for

that finished pork as well as live cattle. Unless there are negotiations with the United States and they agree to a tariff, I would not be in favour of imposing one. I say this frankly in the House. I am not prepared to say, however, in respect of the long-term.

The North American exchange of cattle and hogs is endangered. Even in the past few weeks an objection has been raised against the surcharge which the government put into effect for a period of time. I want to say again, and this disturbs me, that an impromptu and ad hoc approach, particularly to the cattle end of the farming business, has characterized this government in the last few months. First, they imposed a surcharge and then an embargo. The surcharge was removed and a temporary program set up. I agree that under these circumstances the government might need breathing space or time, but I really urge the Minister of Agriculture and the minister in charge of the Wheat Board to say what is the program for support prices for cattle and hogs. I urge them to cease jockeying about with the feed grain policy because the farmers out there want to know what it is and if it is going to affect their production. If they do now know, it will also affect consumer prices.

● (1440)

I do not believe the consumer thinks he is getting cheap food. It may be the opinion of some other people, but the answers to the questionnaires which I sent out last week have revealed that people in Saskatoon do not think they are getting cheap food and the farmers know they are in a bind. They want a policy with some continuity, and this is the point to which I think the government should address themselves forthwith.

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I have first returned from a tour of my constituency during which I visited 22 of the 27 rural parishes. Farmers are now deeply distressed. They are exchanging a dollar for four quarters and sometimes they only get three. They have to tackle the exorbitant cost of feed grain while consumers must face the exorbitant cost of food for their family.

The minister is proposing a subsidy of 7 cents a pound to beef producers. It is quite obvious that this action will not control the cost of living increase and that the consumers will still be paying increasingly higher prices for their food.

The minister is even taking the precaution of saying: I emphasize the fact that prices to the consumers will not be adversely affected. What he means is that even if he gives a subsidy of 7 cents to producers, prices will not increase proportionately. It would be paradoxical if producers were subsidized while consumers would have to pay more for their supplies.

I believe, Mr. Speaker, we will have to begin very soon to think about the consumers. We think about the producers and prices keep rising. We will soon have to subsidize the consumers because they will no longer be able to supply themselves.

We Social Crediters often say: We must think about people before thinking about animals. One of these days, the government will have to consider that and come to the conclusion that for the well-being of the people, we must call on the people.

* * *

[*English*]

EXTERNAL AFFAIRS

TABLING OF BRIEF ON SKAGIT RIVER VALLEY SUBMITTED TO UNITED STATES FEDERAL POWER COMMISSION

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, while we are on motions, may I have the permission of the House to table in both official languages, a copy of a government brief on the Skagit River Valley submitted to the U.S. federal power commission through the U.S. state department on March 14. It had been my intention to table this on Monday, but since the United States has already released the text I thought I should table it now.

The Acting Speaker (Mr. Laniel): Order, please. Since the House has given unanimous consent to reverting to motions for one specific purpose, namely, to allow the Minister of Agriculture to make a statement, I am sure hon. members would agree to extending that unanimous consent to the Secretary of State for External Affairs to allow him to table the document to which he referred. Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It is so tabled. The House will now revert to the consideration of supply.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—SUGGESTED IMPOSITION OF SELECTED PRICE CONTROLS AND ROLLBACK OF UNJUSTIFIED PRICE INCREASES

The House resumed consideration of the motion of Mr. Grier:

That this House calls on the government to consider the immediate introduction of legislation dessigned to control selectively the prices of essential commodities and to give either to the government or to a prices review board the power to roll back unjustifiable price increases.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I enter this debate rather unexpectedly. I am sure it is unexpected to the House and it is unexpected to me, but because of the absence of the Minister of Finance (Mr. Turner) I have been asked in my capacity as Acting Minister of Finance, to respond to the motion put forward by the spokesman for the NDP. I also speak as a former minister of finance and, if I may add, as the reincarnation of a civil servant which I was and at which time I was intimately involved in wartime price

and wage controls. That experience taught me some things about price and wage controls that I would like to speak about.

It taught me certain unforgettable lessons about the kind of conditions that are necessary for the successful application of any form of wage and price controls. The two criteria that are of the utmost importance, if there is to be a successful price and wage control, are simplicity and a high degree of approval from the public generally. During wartime when we had an over-all system of wage and price controls every housewife was an enforcement officer. The reason for this was that all that she had to report was whether any price had gone up because by definition under the system of wartime price and wage controls any increase in price was illegal, so that all that a housewife had to do was to report to the local officer of the wartime trade board that someone had broken the price ceiling.

The second factor was strong public support, in other words, the whole of the country was behind the government in its war effort and therefore supported without any qualification the efforts that were made to take any inflationary element out of the wartime situation. Any other efforts that have been made in peacetime to apply over-all price and wage controls on any other basis than that of imposing a ceiling have more or less failed, some of them dismally, some of them comparatively. Indeed, the world is littered with the debris of wage and price controls that did not work.

● (1450)

There are many things in the world that have not worked, and it is not surprising that wage and price controls should not have worked in some cases, indeed in all cases. Perhaps you might say the effort was worth making, but regrettably the efforts made to apply wage and price controls in peacetime have more than failed. Invariably they have been counterproductive. They have not only failed to stem the increases in costs and prices but they have been counterproductive in the sense that they have reduced production.

We have had two recent examples of efforts to apply over-all price and wage controls, one in the United States and one in the United Kingdom. We in Canada have experienced the results of the efforts to apply price controls on farm produce in the United States. We have not yet quite overcome the damage caused by these abortive attempts which resulted in the liquidation of cattle. Only today we listened to my colleague, the Minister of Agriculture (Mr. Whelan), announcing one of the measures we have had to take, which traces its origin back to the abortive attempts made to try to control artificially the prices of cattle and meat.

If we look at the United Kingdom we see a different phenomenon there. We see an attempt to apply controls to wages that resulted in a tremendous over-all reduction in production. Indeed, a government collapsed over an effort to put into effect a system of wage controls that did not have the universal kind of acceptance that is necessary if these kinds of controls are to work. To my friends in the Progressive Conservative party I hope this is a lesson about what happens when efforts are made to try to apply this kind of system in peacetime.

As the Prime Minister (Mr. Trudeau) said previously when talking about this matter, and I quote from page 36 of *Hansard* for February 28:

> It is less than honest to dwell expansively on the pleasant prospect of fixed consumer prices, while at the same time diverting attention from the not so pleasant prospect of fixed incomes. It is less than honest not to tell the public that wage controls have their own set of injustices, that they apply most inflexibly to blue-collar workers whose pay can be easily monitored, and most flexibly to white-collar workers who can be given a salary increase under the guise of an artificial job reclassification.

Surely, the lesson we can learn from Britain is what happens when there are groups of people who believe this, whether it is true or not, and it underlines the point I have made that only a system that has widespread, indeed virtually universal support, has any chance of being successful. Yet the Official Opposition continue to advocate a system of over-all controls.

Of course, they put in qualifications. When difficulties are pointed out to them they then begin to make their qualifications. So that one is not quite certain what the views of the Official Opposition really are on this question.

It reminds me of an onion. You keep peeling away at the onion. You take off skin after skin, and finally there is nothing there.

Some hon. Members: Hear, hear!

Mr. Hellyer: Like in the next election.

Mr. Sharp: Except, Mr. Speaker, that if you sit on the other side you have tears in your eyes.

Some hon. Members: Oh, oh!

Mr. Paproski: Who writes your stuff, Mitch?

Mr. Sharp: I regret to say I did not have a speech prepared for me, and so I have to make one of my own today.

Some hon. Members: Hear, hear!

Mr. Paproski: You are much better at pianos than jokes.

Mr. Sharp: The resolution before the House comes from a party that, like the government, has rejected the concept of over-all wage and price controls. It calls on the government:

> —to consider the immediate introduction of legislation designed to control selectively the prices of essential commodities and to give either to the Government or to a Prices Review Board the power to roll back unjustifiable price increases.

This is a different proposition and one that is more difficult to deal with in the way in which I have dealt with over-all wage and price controls because its terms are not very well defined. This is a system that is not defined in any way. It refers to selective controls. We are told what those are to be. We are not told what the essential commodities are, but somebody is to be given power to deal with them. I would like to address myself to this particular proposition.

As I say, this proposition is different from an over-all system of wage and price controls. However, it does have some weaknesses that I would like to point out to my hon. friends on the other side of the House, to those on the far right so far as I am concerned. The first point I would make is that selective controls of this kind are bound to be arbitrary. They are bound to have a selective effect which may not be acceptable.

Selective controls are likely to single out particular groups for government action, and to leave others untouched. That is fine in theory, but the trouble is that it leads the government into a general program because every group in the community wants someone else to be the target of government action. Therefore it is very difficult to keep selective controls really selective. In due course one is drawn into a general program, and into exactly the weaknesses I have outlined in connection with over-all wage and price controls.

The second point is one of general application which relates not only to selective controls but also to over-all controls. It is the problem of anticipation. To bring forward measures of a general character, and they would have to be general to give the government power to impose price controls on anything, would cause anticipation. The same would apply to any measure brought in to impose over-all wage and price controls. All of the people selling goods in the country would be inclined to say, "Let us get our increases put into effect before the government takes these measures."

It could be argued that it would be necessary to give power to roll prices back, but if there was a general anticipation it would be impossible to roll everything back. Rolling back is possible only in selective cases.

Then we have another problem in selective price controls arising out of the nature of Canadian industry, namely, our tremendous dependence upon trade. Suppose the government or the Prices Review Board were to decide to impose selective controls on a particular kind of product, where it was alleged there was gouging, rip-off, or what-have-you, what would one do if a high proportion of such goods were moving in international trade? One would be forced, from putting on selective price controls, into selective export controls. In other words, in order to keep Canadians supplied with goods at any price, one would have to put on export controls to prevent all goods from leaving the country to get the higher prices available abroad. This is in the nature of selective controls; indeed, it is in the nature of over-all wage and price controls. In a country like Canada, with such a high proportion of income coming from trade, one is bound to follow price and wage controls by export controls, subsidies on imports, taxes on exports—the whole structure.

● (1500)

I say to my friends on the other side of the chamber that what appears to be a very simple selective plan, but would lead us, in my judgment, very rapidly into the kind of widespread controls that should be avoided if we are going to be able to deal with the inflationary situation that now faces the world. I should like to revert to that subject for a moment, Mr. Speaker. This is one of the few times in the world's history when we have had universal inflation.

[Mr. Sharp.]

Most of the great inflations in the past have been in particular countries. We think about German inflation, Brazilian inflation, Peruvian or Chilean inflation, but this is one of the few times in the history of the world when we have had universal inflation.

Mr. Hellyer: You don't understand it.

Mr. Sharp: We understand it very well and that is why we do not have pat answers like price control. We must deal with what is the underlying cause of our problem today. I will not go into the details of it as I think they are well known. Let us look at the food situation in the world. It is not going to be overcome or controlled in Canada. This is a problem of worldwide dimensions. Indeed, we may be on the verge of the most serious food problem the world has ever seen. I say this, not to justify the fact that we are not going in for price and wage controls or selective controls of the kind advocated by the other side but because there is only one answer to this problem: that is to increase production. This is what is needed in the world, whether in food, fuel, clothing or what-have-you.

The whole emphasis of government policy throughout the world must be upon increasing supply. Therefore, I say to my hon. friends opposite, not that their ideas do not have some merit but that those ideas are counterproductive in terms of what needs to be done in the world today. That is why the government does not accept the resolution before us.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): What will you say when you do it?

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, the NDP motion once more throws the light on the whole problem of the high cost of living and aims at making a suggestion to find a solution.

The motion states and I quote:

> That this House calls on the Government to consider the immediate introduction of legislation designed to control selectively the prices of essential commodities and to give either to the Government or to a Prices Review Board the power to roll back unjustifiable price increases.

By moving such a motion, we are taking the well-being of the people into consideration. Anyone who comes in contact with the population, with reality, readily notices that inflation is beginning to hurt many Canadians.

Talk about shortages here and there if you want, but people do not believe a word of it. For instance, it is getting to be a joke to say there is an oil shortage in Canada. People are scoffed at but they do not fall into the trap as easily as the government would hope.

There are enough oil reserves in Canada not only for Canadian consumption but for that of a great part of the world. We are told that oil production reaches not more than a third of its capacity and that was true even before the discovery of the oil sands in northern Alberta and northern Saskatchewan. Surely price hikes are not due to shortages.

In that regard, without having to freeze prices, the government should at least review or rather incentively control prices. I say incentively, Mr. Speaker, because I find it a less socialistic and more realistic term.

Mr. Knowles (Winnipeg North Centre): Why not!

Mr. Boisvert: Through the implementation of incentives, we neither force private enterprise to act, nor do we choke it. I know an individual in my riding who wanted to erect a two-story building which required a steel structure. So his architect and his contractor took the necessary steps to find the steel and materials required for the structure. That was estimated at $37,000. But he was told that there was no steel left, as if the Iron Ore Company had shut down. He was therefore told that there was no steel left. He had to find another source and change his plan to build a one-story building. Instead of paying $37,000 for a two-story building, he now has to pay $57,000 for one story. This is one of the reasons why a price control system should be based on incentives.

It is like in some other areas. We know that the price of paint has risen by 30 per cent most recently. Those who wanted to buy paint in large quantity before Christmas and New Year's had to use all their pull to get it. That is understandable enough. If an individual has one million gallons of paint in his warehouse and he increases his price by $3 a gallon, he makes a profit of $3 million. That is exactly what is happening. When one sees in supermarkets bags of potatoes selling at $6 a bag one realizes that there is a monopoly involved, that the government is unconcerned and indifferent about it.

An individual manufacturing aluminum posts as we see along highways told me recently that he is now forced to refuse contracts not because his customers do not have money to pay for them but because he is short of aluminum. Just imagine, Canada is one of the major producers of aluminum and there is a shortage of aluminum.

The Secretary of State for External Affairs (Mr. Sharp) just suggested that inflation is a world-wide phenomenon. In a certain way he is washing his hands of the whole mess; it is not our fault, we are not guilty of anything, we are not there to administer, we have nothing to say in that matter, things would be the same without us.

That somewhat reminds me of the fellow whose house catches fire and who says, I am no fireman, I do not touch anything. I will wait for the fire department to get here.

What would you say about a fellow like that? One would be somewhat justified in saying that this government is somewhat acting in the same way when it says, we cannot grapple with inflation, that is none of our business. That is the business of African countries and probably those countries to which we make interest-free loans of hundreds of millions of dollars for 50-year periods.

So this government must open its eyes, stop thinking about its election funds, its fund raisers, and it must find solutions interesting not for the party but for those it is supposed to govern. When I say "those it is supposed to govern," I mean the people of this country, not fund raisers. This government will have to come up with a system to help consumers. I harp on this and I will time and time again, the consumers are first and foremost the taxpayers, and they are the ones faced with that plight that is inflation. We will have to stop subsidizing producers, middlemen, etc., and think about the people of this country. In a country such as Canada with so much wealth and so few inhabitants, it is not normal for our people to be as struck as they are now. With a population of nearly 20 million people, Canada may be one of the richest countries in the world, but its population is also one of the most heavily indebted in the world and its standard of living one of the most difficult to catch up with. Then, there must be something wrong with that. The government must act to prevent monopolies from replacing democracy. What I am suggesting is that this is exactly what is taking place in Canada today. Monopolies and high finance are replacing democracy in Canada.

When the government's financial and economic policy no longer reflects special interests, but the production and wealth of Canada, no longer will there be problems of such magnitude for us to face. Concerning the motion introduced by the New Democratic Party, I feel that it is good up to a point, but I do not like the word "selectively" which smacks too much of socialism.

The motion states, and I quote:

> ... give ... to a Prices Review Board the power to roll back unjustifiable price increases.

I am also in agreement with that part of the motion.

An hon. Member: I am not.

Mr. Boisvert: There is a member of the New Democratic Party who does not agree. I do not understand this.

I agree with that part of the motion because the board is now a very bad joke.

An hon. Member: What you are saying is also very bad!

Mr. Boisvert: It must be interesting since you are listening.

This is a board created to serve as a front, to stop the people from complaining too much. Its purpose is to give an excuse when it is difficult to find something to say. This is the type of board that this government is giving us: a board created simply to allow the government to stay in the background, to wash its hands of problems as the hon. Secretary of State for External Affairs (Mr. Sharp) said in his speech a few moments ago.

● (1510)

[*English*]

Mr. James Gillies (Don Valley): Mr. Speaker, I am delighted to have this opportunity to participate in this debate and I congratulate the members of the NDP for bringing forward this matter at this time. I am particularly pleased that the hon. member for Eglinton (Mr. Sharp) spoke on behalf of the government, because we now have an idea why the government is doing nothing about inflation in Canada. Anyone who says, as the Secretary of State for External Affairs said, that an incomes policy today would have the same effect as the wartime prices and trade board had previously has misunderstood com-

pletely what has happened in the last 25 years and what a contemporary incomes policy is all about.

We have been amazed that last year the government permitted an 8 per cent inflation rate to grip this country and has permitted an inflation of 10 per cent to continue for this year and done nothing about it. Now we know why. The government is still looking at the situation of 25 years ago and has learned nothing. The government still believes that the proper economic policy for Canada involves the old continentalist approach it has followed for years. The fact of the matter is that since the days of C. D. Howe and Robert Winters, the economic policy of the government party has been determined by the way it perceived the interests of the Canadian business community and a continentalist philosophy.

It was made clear today that the Liberal Party has had no new ideas in terms of resource policy, ownership policy, competition policy and industrial structure. The government is rejecting any new approach to the fight against inflation because it is still looking back at what happened 30 years ago during the war.

The minister said that the answer to inflation will be found by increasing supplies around the world. He was quite correct. No one disputes that, but it is not the issue. We know that you must increase supply in order to solve the inflation problem and bring supply and demand back into equilibrium. The question is, what do you do during the next one, two or three years to ameliorate some of the inflationary effects which will be felt by people while supply and demand are brought back into balance? I do not for a moment accept the proposition that we must continue with a 10 per cent or 12 per cent inflation rate during this period. There must be policies which are utilized in the short run as well as in the long run because, as Lord Keynes said, in the long run we are all dead. But the question is: How are we to help Canadians who are suffering under the impact of a 10 per cent inflation rate now?

The Secretary of State for External Affairs quoted the Prime Minister (Mr. Trudeau)—I forget the exact words used—and said it would be less than honest to support a policy which locks people into the low income brackets, as an incomes policy might do. Let me say that it is even more dishonest for a government to permit inflation to continue at the present scale and destroy the savings and incomes of people in the middle and low income groups. I ask my friends in the NDP: How can you support the government when statistics show so clearly that last year the rise in average hourly earnings was substantially less than the increase in the cost of living? Arguing that you should not adopt an incomes policy because it would hurt low income groups is to fly in the face of reality and to ignore what is happening.

I cannot understand why the NDP has been able to support the government when it has seen that the government will do nothing to fight inflation in this country and when everybody in the country knows that inflation is our number one problem. However, I am pleased that the party has come at least halfway. By introducing the motion we are debating, it has made clear to the people of Canada that at long last it is interested in the problem of inflation and in doing something about the increase in the cost of living. I am particularly pleased to hear that party now say that it does not agree with the analysis of the government, namely, that we cannot do anything about inflation in Canada because it all comes from abroad. One year ago we hoped for the support of the NDP on a policy not totally removed from half the policy they are recommending today. They would not support us then.

● (1520)

If the New Democratic Party had supported us a year ago last February when we came forward with our policy, it might now be in effect. If this had happened, what would be the inflationary rate in the nation today? It would certainly be less. No one can say with certainty how much less, but we would not be in the situation where we are at the present time, with 10 per cent inflation. I cannot understand why it has taken them so long to come around. All I can think is that the NDP must have believed the analysis put forward by the government that we cannot do anything about inflation in Canada. I do not know what changed their minds. I hope we do not hear any more speeches from the NDP indicating we cannot do anything about inflation in Canada because it all comes from abroad.

An hon. Member: You have not heard one yet.

Mr. Gillies: The fact is we now know that our friends in the NDP accept our analysis that you can do something about inflation in Canada if you have the will. I hope they will support us in programs that will be effective. If they had had the courage to do so a year ago, we might have a different situation in Canada today. Why did they have to wait for a year? Do we have to wait for another year before they really care enough to do something about inflation in this country?

The statistics are very clear. Two-thirds of the increase in the cost of living is in housing and food products. These are areas we can do something about. To argue that all inflation comes from abroad, and you cannot do anything about it in Canada, is ridiculous. You can do something about it if you have the will and really want to help the Canadian people. My own view is that inflation could get worse in this country. Actually, we in Canada have not felt all the pressure of the increase in oil prices as has been felt in Japan, Britain and other places around the world. As soon as that comes into the economy, prices will go up again. The wholesale price index went up 24 per cent last year—2.5 per cent in January. Inflation will get worse in this country. And are the NDP still going to say there is nothing we can do about it?

The fundamental point is that we have to recognize that monetary, fiscal and exchange rate policies, in the traditional sense, something we have always relied on in the past, will no longer check inflation. Such policies are designed to operate in economies that are perfectly competitive and with normal expectation rates. However, these two conditions are not present at the moment in Canada. I am sure hon. members will agree that no one thinks expectations in the economy are now normal. The price of gold is moving toward $200 an ounce. Why? Because of inflationary expectations and speculation. The price of housing in Toronto increased by 22 per cent last year, most of it because of inflationary expectations and

speculation. Everybody expects prices will rise. Something must be done to break such expectations.

My second point is that it is folly to think we have a perfectly competitive economy. We do not. I have argued many times that we have a large portion of administered prices in our society today. You have to do something about this situation, particularly in periods of inflationary expectations. The government must also believe this, because otherwise they would not go after the bread industry, the milk or the oil industry in the way they have.

I was astonished to hear the Secretary of State for External Affairs say that the government is opposed to selective price controls. That is precisely the policy the government is following. The minister made a very good argument on why selective price controls will not work. I agree they will not work. They are an ineffective way of tackling the problem. The fact remains that when you have an economy which has high levels of inflationary expectations and some administered prices, there is only one solution: you must have some type of incomes policy. It is folly to think you are going to reduce inflation without it.

Historically, the reason we did not have to have such a policy is that in the past governments were prepared to eliminate excess demand by creating unemployment. No government will or should do that today. We are in a new situation. Throughout the forties, fifties and sixties, when the economy was heated government slowed it down in order to keep inflation under control. Throughout the fifties and sixties that policy worked reasonably well in checking inflation, but at a terrible cost. There was 2½ per cent to 3 per cent inflation. Today, governments all over the world are not prepared to slow down the economy and they are wrong if they try to do so. Obviously, with the great need for goods and services it would be absurd to slow down production. However, if you are not prepared to check demand, you need another policy tool to deal with inflation, otherwise it will escalate and get out of control.

In the fifties and sixties we talked about inflation of 2½ per cent and 3 per cent in Canada. People said that was all right to live with in terms of a price to pay for full employment. However, we are now talking about 10 per cent inflation and we do not have the necessary instrument in economic policy-making today to get it under control. The policy instrument we must have is some sort of an incomes policy. I would be the first to agree that there have been problems with an incomes policy everywhere, but I also agree totally with Sir Alec Cairncross, for a number of years adviser to the British treasury, that we cannot give up the effort of finding the proper answer—the proper way of making it work—otherwise we will never solve this unending problem of continuous inflation.

Just as we had to find a tool in the thirties to deal with unemployment which was a worldwide problem at that time, we must find an instrument today to deal with worldwide inflation and domestic inflation. It is clear the general monetary and fiscal policy applied in the broad-brush way will not work. It is argued that income policies have not worked well. That is true. However, can anyone name a country where monetary and fiscal policies have worked? That is the real question. Can anyone name a place where the use of broad fiscal, monetary and exchange rate policies alone have stopped inflation? That is the real question.

We must find a way of putting a new policy instrument, an incomes policy, into effect. We have argued for a broad-gauge incomes policy. That operates through the profit mechanism. We have said that profits should be limited in periods of high levels of inflationary expectation. Basically, profit margins could be set, for example, at the average of a preceding three-year period. Prices would still vary depending upon the product mix of the particular industry, but we do believe that in a period of inflationary expectations there should not be excessive profits over and above those needed to assure new investment in an industry. We believe that this is a proper and an understandable policy, a very workable policy.

● (1530)

When the Secretary of State for External Affairs speaks about the wartime price and trade board he has no perception of how a contemporary incomes policy would operate. There has not been a policy such as the prices and trade board proposed for years. Now you control profit margins. This is the kind of policy that we have advocated and in which we believe. It can easily be designed to make allowance for import costs and other defensible costs.

The other side of the coin is that you cannot have a prices policy without a cost policy. You cannot ask one segment of the economy to pay all the price of fighting inflation. This is a problem that must be tackled by the nation as a whole; everyone is involved. If you are to have an equitable incomes policy, you must have a price policy and a cost policy. That is why we have said that you must set general standards for the rate of increase in incomes.

I do not believe it is either possible or appropriate in our society for particularly strong, powerful groups on the labour, as well as business, side to take enormous amounts out of the economy and let the weaker groups get an insufficient income. It is the weaker groups that are suffering from inflation. If you have your pricing policy on the one side and your wage and income policy on the other, both designed to set standards, then although the great majority of people in the economy and the great majority of the transactions that take place in the economy are not directly affected by such policies, at the same time you do prevent any group from taking out of the economy more than they are putting into it.

I cannot emphasize too strongly that in this day and age, when governments are not prepared to use demand management policies, you must have a collateral policy instrument—an incomes policy. The fact that we do not have such a program in this country is causing all kinds of problems. I agree totally with the NDP when they say to us today that we should read the profit figures. There are areas where we do not need profits like this to ensure investment in new activity. We must not have excessive profit margins. But we must have reduced prices. No one particularly likes an income policy. Obviously, it would be preferable if inflation would go away by itself and we did not have to do anything about it. But there is no evidence

that this is going to happen; indeed, inflation may get worse.

Are we, as members of parliament representing people who are suffering every day, people who are seeing the purchasing power of their dollar drop by 10 per cent and are being sold government bonds at interest rates lower than the increase in the cost of living, and seeing labour—I draw this particularly to the attention of the Minister of Labour (Mr. Munro)—earning incomes that are below the increase in the cost of living, going to sit here and let these things continue? That is an abdication of responsibility. The single most important problem in this country is inflation, and surely that is what we have to deal with; and we cannot deal with the problem in this country without some sort of effective incomes policy.

The members of the NDP are now saying, and I agree with them, that you can do a lot of things domestically to fight inflation. All we need is the will and the energy to do so. Hopefully, supply will increase. We must follow all kinds of supply policies to increase output. But in the transition, until we get more output on the market, surely we have an enormous responsibility to try to protect the Canadian people from the ravages of inflation. I do not believe that our society can stand 10, 12, 14 and 15 per cent inflation. The institutional structures that we have are not designed for this type of erosion in values. A democratic society cannot stand that sort of inflationary cycle. We can do something about it, but only if we accept the realities of the situation.

The Acting Speaker (Mr. Boulanger): Order. I regret that the time of the hon. member has expired.

Mr. Gillies: May I have just two more minutes?

The Acting Speaker (Mr. Boulanger): Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Gillies: Mr. Speaker, I really hope that I can persuade my hon. friends opposite—I do not know whether I can or not—that selective controls will not work. They are unjust and inequitable. I recommend that they read the remarks of the Secretary of State for External Affairs on this question. It is also clear that the broad fiscal, monetary and exchange rate policies as now used will not work either to stop inflation under the economic structure that we have at the present time. We must choose new directions. I urge the government to have the courage to do so.

The Acting Speaker (Mr. Boulanger): The hon. member for Yorkton-Melville (Mr. Nystrom).

Mr. Grier: Mr. Speaker, before the hon. member commences his remarks, would the hon. member for Don Valley (Mr. Gillies) permit a futher question?

Mr. Deputy Speaker: Since the hon. member for Don Valley (Mr. Gillies) was granted extra time, I think this would have to be with the consent of the House. Is it agreed that the hon. member for Toronto-Lakeshore (Mr. Grier) shall have the right to ask a question?

Some hon. Members: Agreed.

[Mr. Gillies.]

Mr. Grier: I ask the hon. member this question. He said that profit levels this year are too high. Would he say that wage levels this year are too high?

Mr. Gillies: Mr. Speaker, I would be pleased to answer that question. I said that there have been some profits reported which I think are way over and beyond those necessary to attract investment in those industries. That is my definition of a profit margin that is too high. In the area of labour negotiations and wage rates, one can say with total accuracy that the demands of labour on the economy have been very moderate, given the enormous inflationary pressures they have had to face, and I would not argue that they have been too high at all. However, if you embark upon an incomes policy of any type—and I endorse the argument for some action that my hon. friend used this morning—you must set a policy that people perceive to be fair, one that crosses the whole economy and involves everyone, because in the national interest all groups must work together to get this problem solved.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I always enjoy following the hon. member for Don Valley (Mr. Gillies) because I find many of his arguments very interesting. He seems to be moving more in our direction nowadays, but he always fails to give precise details regarding what he really means by an incomes policy. He said it was easy to control salaries of blue collar workers because they are negotiating in a fishbowl; they do not have any collective agreement, so you can easily control their salaries. But how do you control, the salary of a guy clipping coupons, a lawyer, a doctor, a dentist or a person working in a managerial capacity? What about the guy who is not organized and does not belong to any trade union? Do you put the same ceiling on his salary?

Mr. Gillies: He is the guy who is being destroyed by inflation today.

Mr. Nystrom: Yes, and he is also being destroyed if you set no rigid ceiling on his salary, whether 6 per cent, as the Heath government tried in Britain, or some other figure such as that used by Nixon in the United States. This is one of the questions that the Conservative Party has not answered in this House, despite the fact they have made an analysis which sounds to me very interesting.

I was also interested to hear the hon. member for Don Valley agree with us by saying that profits this year are too high. I wonder whether the members of his party agree with the analysis which he presented to the House this afternoon. Traditionally, his party has not done so. They talk of high corporate profits being necessary to stimulate investment, which in turn will stimulate the expansion of industry in this country, create jobs, and so on. The hon. member for Don Valley seems to be flying in the face of that traditional Conservative argument which has been put forth in this country for so many years. I suspect, as the hon. member for Toronto-Lakeshore (Mr. Grier) said, that the hon. member for Don Valley may be standing alone trying to articulate a policy that is perhaps more popular to the Canadian people than it is to the Conservative Party.

● (1540)

I will not say I was disappointed in the speech of the Secretary of State for External Affairs (Mr. Sharp). It was a short speech of perhaps 10 or 15 minutes, one that I thought was very hastily prepared, based on one of the old arguments from those old textbooks that are going out of date very rapidly and one that I submit did not look very closely or deeply at the problem of inflation in this country or anywhere else in the world.

I say at the outset that I agree with the hon. member for Don Valley who suggested that we can do something in this country about inflation. Inflation is not the sole result of external factors. We do not import all our inflation from other countries. We can do something about inflation here, because Canada is very fortunate in having so many natural resources. We produce our own food, our own energy, our own hydroelectric power; we have our own lumber, nickel, copper, iron ore, steel resources and things of that sort. Because of this, we in Canada can control to a large degree some of the inputs to the inflationary psychology in this country by adopting certain changes in governmental policy. I think this must be done.

The inflation rate this February over February of last year was 9.1 per cent, which is very high for a country such as Canada with all our wonderful opportunities. The price of food in this country increased by 17.2 per cent last year. One can look across the board and see the various inputs that are creating increasing inflation and an increasing cost of living in Canada. Profits went up, for example, by 37 per cent last year. Again, I was very happy to hear the hon. member for Don Valley refer to that fact. The profit increase over 1972 is actually more severe than it appears at first glance, because in 1972 corporate profits went up by 20.6 per cent over 1971, and in 1971 they were up 16.2 per cent over 1970.

You can see that each year corporate profits in this country are continuing to snowball, increasing in a cyclical fashion. I suggest that they are now quite out of control. The corporate share of the GNP, as the hon. member for Toronto-Lakeshore said this morning, is running at 12.5 per cent, which is the highest it has been since 1952. But the share the working people of this country are receiving has dropped in the past year; it has dropped to the point where increases in the average weekly income are less than increases in the cost of living.

This is where I differ very sharply with the Conservative Party which talks about wage and price controls across the board being comprehensive enough to cover all inputs in the price of basic commodities. That is why this party moved the motion we are dealing with today in which we say that because of a sophisticated economy, the government or an agency of government—be it a price control board or something else—should have the power and authority to control or roll back unjustified price increases. I think this can be done and it is a practical solution. This is the direction in which the government has very timidly and very slowly started to move. It has done this with two or three different commodities, but I think we should be adopting it as a permanent policy in Canada, rather than something that is not responsive and is developed on an ad hoc basis only after tremendous pressure from across the country. I do not want to sound too simplistic, but when you do this you must combine it with a full series of economic policies.

In answer to the Secretary of State for External Affairs, you must have export controls on certain commodities if you are to have domestic price controls or roll-backs. I think what we are doing in respect of commodities such as lumber, we must also do in respect of commodities such as copper, asbestos, and so on. We must also have subsidies in certain areas, because if you have domestic price controls or roll-backs you might have a danger of creating shortages, and you must cover that possibility in certain areas by subsidies on some basic commodities. This has been done in two or three areas already and I am suggesting it should be expanded and broadened as you consider the whole spectrum of commodities in this country.

What we are talking about in this party is a policy of controlling prices that corporations are able to charge the consumer; we are tackling the real nerve centre of the problem. I am sure this is one thing the government and the Conservative opposition will hesitate to do. The policy they have advocated until now, as far as I can gather, is one of comprehensive price and wage controls. As the Secretary of State for External Affairs said, outside of a wartime situation this has not really worked anywhere in the world, no matter where you might look, over the last 20 or 25 years. We can look at the experience in the United States under different schemes brought about by President Nixon, and we find that their rate of inflation last year was higher than ours—ours being 9.1 per cent and theirs 9.4 per cent.

The same thing is true of Great Britain. Prime Minister Heath tried to introduce a program of comprehensive wage and price controls, yet the cost of living went up by some 12 per cent. That is why I argue, and will continue to argue, that an across the board approach which is rigid and indiscriminatory will not work because of the many factors such a program does not take into consideration. Let me give a few reasons why that type of approach will not work. First, you create many shortages if you put price control on the wrong commodity. This is shown by the United States situation today where, when the Nixon government put controls on certain agricultural goods and food products, it created shortages. Because of these price controls we are having problems in this country with commodities such as beef. If you have a program of total controls, you cannot touch imports from other countries; and Canada is a great trading nation. We import more manufactured goods per capita than any other industrialized country. How can you put controls on a commodity such as bananas which we import from the Caribbean? How do you put controls on television sets, or cars that we might be importing from Japan, when we are trying to sell the Japanese some of our commodities such as wheat and other resources including timber?

As I have said, one of the dangers of a comprehensive program such as the one talked about by the Conservative Party is that it is very easy to impose controls on working people and farmers because their incomes are out in the open. The price the farmer gets for his commodity is in the open and everybody knows about it. The same is true of the income of blue collared workers, pensioners and other people living on fixed incomes.

There are many dangers in the approach suggested by the Official Opposition. I think the approach they are suggesting is, in general, more dangerous than the one taken so far by the government. That is why we must look at the position we are considering now, which is one of selective controls and roll backs where we find unwarranted profiteering or gouging or where we find there is no necessity for price increases. We can do this in many areas in which we have control in this country, such as lumber, steel, iron, copper, energy, hydro power, agricultural goods, and so on, especially if we combine this with a program of subsidies in certain areas.

As I have said, this is by no means a very simple problem, because if you control some of the commodities in a free enterprise system you will be driving the investment dollar out of the country. Let us look at nickel production. If you put price controls on nickel, the nickel producers will say, "To 'h . . .' with you. We are going to invest our money in another country." If we are to follow the type of program this party is suggesting, it might mean greater public ownership in many areas, particularly in respect of natural gas, oil, nickel, copper, iron ore, steel, and so on. I think that is a necessary part of any policy that is really designed to fight inflation and hold down prices. If you do not do that, the private investment dollar will go elsewhere because of the strength of the multinational corporations. These are some of the things we must take into consideration when we are discussing the rate of inflation in this country.

I now want to suggest two or three reasons why inflation is so high in the world. As we all know, we import some inflation from abroad. I think the first reason is that many of the underdeveloped countries are becoming wealthier and more able to afford some of our commodities. This, as a result, creates shortages and drives up the price of some essential commodities. As a result, particularly of the Japanese market but also of the European Common Market and others, the U.S. dollar has dropped and our dollar, which is presently floating with it, has dropped as well. This is making imports into Canada more expensive than they were two or three years ago. Certainly there is some inflation coming from abroad because we are a large trading nation.

● (1550)

The second reason there is such high inflation in the world, I suggest, is that the traditional western capitalist system is being challenged all around us. The hon. member for Don Valley alluded to this and said that the old standards of reality no longer exist. We see evidence of this no matter where we look. Inflation is now a phenomenon which is spreading throughout the western world. We see problems in respect of the monetary system, balance of trade and many other things right across the western world. There are not very many solutions for this type of price increase and inflation.

There are two or three things we could do as a country, but I suggest they are probably limited. First, we could enter into an international agreement regarding basic commodities in the world. We could set prices, and we could subsidize some of the basic commodities we import which are important to the average citizen. We could perhaps take action against some of the huge multinational corporations which are responsible for importing some of these commodities. Here I look, for example, at the sugar industry. We might be prosecuting some of the large sugar companies which I suspect are getting together and arriving at prices which are artificial and far too high at the present time.

These are some of the things we can do about external factors which increase the cost of living in this country. But as I have said, if we did that probably we still would not do much about the inflation rate in general because we must look at our own country and do what we can internally. I think we can do a certain amount because we produce much of the basic commodities we need. We are not like Japan, the United Kingdom or many other countries in the world which depend on the importation of energy and many of their raw materials and food products.

In Canada we produce basic commodities and therefore have some say about the price they are sold at. We must do this on a selective basis, otherwise we will run into all kinds of problems because every commodity is different. The food industry is different to any other. If we placed controls on the price of our food at the top, this would be passed on to the farmers at the bottom. There would be a freeze on what they get at the farm gate. They would hold off on production and would be driven out of business. This is happening in the United States and in many parts of the world where an attempt has been made to place controls on basic food items. If you tinker around with food, then you have to bring in subsidies in respect of items such as milk and bread.

If you want to do something basic about food prices, you must look at the whole food industry, the wholesaler, the retailer, the packing house, the transportation system and all levels of the food industry. Perhaps there is something that can be done to prohibit excessive profiteering, double-ticketing, and so on, in respect of food at the various levels. I think this could be done in the beef industry where the price to the consumer is up and the price to the producer is down. We could have a tough prices review board or a government agency which could investigate and roll back prices on a selective basis especially where there is evidence of gouging of the Canadian public. This is not being done. This is the policy which our party thinks should be followed and one which we think is quite reasonable and would be successful if it were pursued in respect of commodities which are important to our people.

We have mentioned profits in this debate. One way to control profits is by selective control of prices of commodities such as nickel and copper—in respect of which there was an announcement yesterday of another price increase—and pulp and paper. Perhaps there could be a general approach to many other commodities as well. We could also implement an excess profits tax that would take off the top all the excess profits which are considered unjust and should not be perpetrated on the people of this country. We could tax wealth, which I am sure would dissuade some corporations and some people who have money from speculating in land, in the stock market, in housing, in apartment buildings, and so on.

If we had a tax on wealth, which is what the Labour government is now looking at in Great Britain, I am sure it would cool down some of the inflationary psychology

and some of the expectations the hon. member for Don Valley so often talks about. If we had tax reforms to plug the loopholes in some of the extractive industries, in particular, in this country we might also cool down some of our inflationary expectations. We have one of the lowest tax rates in the world in respect of the resource industries. We have depletion allowances and fast write-offs. We have all kinds of tax holidays. If we plugged these gaps we might cool down some of the inflationary psychology we now have.

There are many things we could do. We could control interest rates. Because we have higher interest rates than in the United States, we see the snowballing once again of a new input in the cost of living and in inflation. Someone may say that if you drop interest rates you stimulate the economy and create more inflation, and so on. I do not buy that argument. I think that if we controlled interest rates at a much lower level we would decrease one of the inputs of inflation. This would decrease the price of houses, of commercial buildings, of farmland and other properties. It would also decrease the profits of many of the banks and financial institutions. I think this should be done. Here I am not merely talking about tinkering with our free enterprise system. I am talking about getting at the very root of the system and controlling it on behalf of the people of this country so that the system works for the people, does not take advantage of them and does not try to profit at the expense of the ordinary citizen.

The last point I want to make, because my time is quickly running out, is in answer at least in part to the question the Conservative Party asks about wages. They say, "Well, what about wages?" First of all, the hon. member for Don Valley said that wages have fallen behind other inputs into the gross national product. If that is the case, I for one am not too excited about putting any clamp on wages. I represent a party and a riding that is interested in promoting the welfare and general good of farmers, workers and the average guy in our society. We do not wish to put a ceiling or a clamp on this. I suggest that if we had a program of selective price controls, the result of that program would be to dampen some of the more excessive wage demands we might have in our system.

If the price of basic commodities was to come down or was controlled to a certain degree so that the increases would go up less quickly, then the need for higher wages would diminish and there would be a cooling of the inflationary psychology in that sector of the economy. I suggest that perhaps all we can do in this country is through a program of selective controls on some of our basic commodities, and selective roll-backs on some of prices and commodities that are really hurting the Canadian people. I urge the government to consider this motion very seriously and to contemplate it as one of the solutions to the cost of living and the inflation problem that is rampant not only in this country but in the whole world.

● (1600)

Mr. Reynolds: I rise on a point of order, Mr. Speaker. Could I ask the hon. member a question?

Mr. Deputy Speaker: The hon. member's time having expired, there would have to be unanimous consent to enable the question to be asked. Is this agreed?

Some hon. Members: Agreed.

Mr. Reynolds: I ask the hon. member what he considers to be excess profits.

Mr. Nystrom: I do not know whether I can put my hand into a hat and draw out a figure. I do not consider profits which increased by 37 per cent last year over the previous year to be right and just. I think they are much too high; they are excessive. I do not consider profits in the mining industry, which have gone up by several hundred per cent, to be moderate. I think that a profit rate in the neighbourhood of 7 per cent or 8 per cent might be justified.

I am not saying this as the spokesman for my party; I drew the figure out of the air. When you have profit rates of 50 per cent or 60 per cent, such as is the case in many industries, I consider them to be totally unjust and unfair. Profits should be just high enough to keep the economy going; they should not be excessive. That is precisely why we need a prices review board or some agency that has the power to investigate such matters and to take action to correct them.

Mr. S. Victor Railton (Welland): Mr. Speaker, I hope you and the members of the House will forgive this impromptu address. I am taking part in the debate because I am very interested in this subject and this morning I saw on television the hon. member for St. John's East (Mr. McGrath) debating this very question with a York University professor. Far be it from me to say who had the better of the argument, although I would have voted for the professor. What is certain is that the hon. member for St. John's East took a great deal more time, and sometimes volume against quality does win.

Anyway, the hon. member said nothing new: he used the arguments that have been presented by the Leader of the Opposition (Mr. Stanfield), the recurring refrain calling for a 90-day freeze on wages and prices, and following this a discussion on ways and means of trying to battle inflation. It seems to me this is a very odd way to go about it. In other words, you must have a three-month freeze before you can start on a solution. The opposition has had almost a year and a half to come up with ideas which might help in reaching a solution but never have they mentioned any new proposals or policy. If they were in power, they think they would be able to start right away and conquer inflation within two weeks—unless they spent all their time talking.

This morning in the television program the question arose whether inflation was entirely intramural or was somewhat extramural. No one on the opposition side ever puts any blame on world conditions; they blame the government entirely for the inflation which exists in Canada. This simply betokens a myopic approach to the subject of inflation and world conditions generally. There is no doubt that Canada is a big country which stands alone and, we hope, stands well; but we cannot get along in the world without comparisons with other countries. I should like to know just where in the world inflation is under control. No one has ever told us this. I wish opposition members would pick out one democratic country where economic conditions are better than they are in Canada. That is an important point.

I next ask whether any opposition member has honestly compared conditions in Canada with what is going on in other countries. Will any hon. member not admit that a good trial of a freeze on prices and wages was given both in the United States and in the United Kingdom? Even President Nixon admitted that if the freeze was not a failure it was at least unwise or unfortunate, and Mr. Shultz did the same. He criticized the freeze and what it caused. Shortages and increased prices were caused when the freeze was over. That is what such a freeze does. This is so simple that I do not think we need to emphasize it. What can you expect from a freeze but prices rising subsequent to it? In Great Britain it was a failure; everyone knows that. In fact, it could not really be brought into full operation because the government was afraid to do that after the first attempt. I think those facts are so fundamental that pretty soon the opposition will have to stop talking about silly price and wage controls and a 90-day freeze. It is becoming a ridiculous notion. When I go home, even Conservatives in my riding ask me why, since it does not work, the Conservatives keep proposing it.

So far as the immediate effects of this motion are concerned, it seems to me that what is proposed is in effect right now. As a matter of fact, last fall the Prime Minister (Mr. Trudeau) brought forward the idea of selective controls. This has been emphasized in the throne speech and to a certain extent it is in effect now. There is no doubt that we have some controls already on milk and on wheat, and in our export and import regulations we have had controls on vegetables and imports of various kinds. As announced by the Minister of Agriculture (Mr. Whelan), there will also be a control on the price of meat.

So far as concerns the idea of rolling back unjustifiable price increases by a prices review board, this is in operation now. The Food Prices Review Board has brought to court some firms that were found to be profiting unjustifiably. The question a Conservative member put to the hon. member for Yorkton-Melville (Mr. Nystrom) as to what is excess profit was a very good question. I think everybody realizes that to do business you have to make a profit. It is only having business in a healthy position and making a decent profit which keeps the country healthy, which keeps wages up and keeps the economy rolling along.

● (1610)

Excess profits are fairly simple to define. We know that with respect to simple mortgages and things like that, there has to be a certain level of interest. We know that companies cannot compete and have a decent profit unless they make between 15 per cent and 20 per cent. We know they have to make enough at least to cover their expenses and give some return to their shareholders. And we know they are taxed very heavily on profits. Excess profits are not the cause of inflation.

It has been well established by the Prices Review Board that there is no one nigger in the woodpile. We have had a very open review of food prices and costs. We know there are many factors involved. Here and there, there may be attempts made by certain wholesalers to collar a commodity market through selling to large chains, but this is being exposed and discouraged. There is no real, serious inequity in the whole price structure except that people want more and more processed types of food. That is about the long and the short of it.

I think the same could be said about government costs. We always have the opposition saying that the costs of government are going up and that our civil service is increasing by leaps and bounds. Do they know of any civil service in any other country that has the expertise and know-how of our Canadian civil service? Do they think we can get that for peanuts? The people of this country do not want a civil service which is not going to assist them in every way possible.

Through our Department of Industry, Trade and Commerce we help small businesses to get started, to set up their plants, and in other ways. We provide them with expertise on exports. In the Department of Agriculture we have a great many civil servants engaged solely in assisting farmers to find better methods of making better farm income and increasing productivity. In practically every other domain it is a case of service to the people of Canada who are constantly demanding more and more service.

We have the opposition saying that one of the big factors in inflation is the ridiculous spiralling of government costs and that a lot of this is due to an inflated civil service. But, Mr. Speaker, do not think for one minute that no matter which party forms the government the civil service will be reduced. The public like it this way. They deserve to have it this way. It is going to cost money, but it is a small part of the total cause of inflation.

I think it is time we publicly admitted that the biggest cause of inflation is world conditions. With two of my colleagues from the other side of the House, I had the opportunity to visit various countries during January. Mr. Speaker, there is no doubt that Canada is much better off than Japan. The total industrial effort of Japan is huge and Japan has huge stacks of money put away in various areas, but the people of Japan are not getting it. The workingman is living on $1,000 a year and food costs there in proportion are about double what they are here.

So far as India is concerned, it will not have enough money to buy high-priced oil during the next year. It is not that any embargo was placed on India; it is just that with the huge increase in oil prices India will not have enough money to buy it. She will not even be able to cultivate her agricultural lands. People will not be able to light and heat their homes with kerosene, which is the only fuel they use. They do not have the huge electricity grid to supply power that we enjoy in Canada. They do not have self-sufficiency in oil and a good income for everybody, and by everybody I mean those above the poverty line. Out of a population of 560 million in India, only a few thousand people are not poor. Canada just cannot begin to compare herself with India.

The other country we visited was Iran. Their economy is a little better off than Japan's; people there live on about $1,200 a year. They expect to raise that yearly by several hundred dollars and in about five years they hope to have people living as well in Iran as we do in Canada. This is because Iran is wealthy. Part of this is due to the fact that they have no strikes and no real democracy. They have democratic institutions which are very impressive to visit, but alongside every level of government is the shah's government. This goes all the way down to the bottom,

and it is this government which tells the people what to do and when to do it, with no argument allowed.

So, Mr. Speaker, do we want democracy? Do we want people to have what they wish in this country? Or do we want a controlled economy? There is no way to have controls without having policemen or police types enforcing them. Human beings are human beings. Everybody takes a little crack at evasion once in a while. If there are people who do not, then you really do not like them because they will not take a chance. And they do not get on as entrepreneurs. But if you have everybody watching everybody else, you wind up with a controlled, semi-police state. We don't want that, do we?

It is time we stopped talking about controls since we can control nobody but the poorest workingman. It is not the labourer in this country who has caused inflation. Inflation started outside Canada, and everybody ought to realize that. It arrived with a big jolt when the U.S. devalued her currency. We have never caught up since. Our currency is just following along luckily at about the same level, with the result that we are not very different from the United States. But we are more fortunate in certain things.

Some of the comments of opposition members with respect to inflation have been rather amusing. The Conservative leader says the fundamental need is to pursue a judicious fiscal and monetary policy. What does that mean? It doesn't really mean anything. The hon. member for Don Valley (Mr. Gillies) keeps reiterating the same thing. Neither one of them is saying anything. They are not committing themselves to a policy. Anybody could say what they are saying. I should remind the hon. member for Don Valley that before he came into this House he was against controls—and now, of course, he is for controls. This might indicate some political bias.

● (1620)

Mr. Paproski: He has been the light.

Mr. Railton: The question as I see it cannot be settled by any simplistic solution such as wage and price controls. We have done a great deal to help the poverty section with our social security system and its escalation. We do worry about the people who are not in the poverty section but are in the fixed income section, the retired people who will see the erosion of their savings because of the depreciation of our currency. At the present time this really cannot be helped; let us say that honestly.

I think it is time we realized that good times are coming—in about a year. I think the price of oil will come down and there will be a reduction in many prices because the world is becoming more stable. I believe the settlement of the big strike in Britain was one of the factors. It is too bad the Tory government there was not smart enough to realize that by paying the miners a fair rate they would keep the wheels of industry turning, and although it might cost a little more, they would be tides over for about five years until the oil wells in the North Sea started producing. It rather demonstrates to me that Conservatives throughout the world are shortsighted.

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, when I go home tomorrow I will be able to report to my family that there was a hush in the House as I rose to speak. I will not tell them how many people were here. For many of the members of this House and for millions of people in Canada there is a feeling of helplessness and frustration as they watch the cost of living rise day by day and month by month. The price of food has been rising steadily over the months and the people of my area in particular have been hit hard. According to a regular survey carried out by food price editors across the country on February 1, Vancouver still had the doubtful distinction of being the city where people pay the highest price for food.

The price of food went up more in the last two months than it did in the last 25 years. During the past year food prices have shot up by 13 per cent. Potatoes have gone up, according to Statistics Canada, 94.9 per cent; eggs, 46.3 per cent; chicken, 40.1 per cent; turkey, 35.9 per cent; and so the list goes on. But the winner was sugar. It went up by more than double in less than a year, and of course when the price of sugar goes up so do the items for which sugar is an essential component.

We know why sugar went up so drastically, do we not? The answer is in Statistics Canada, but it is also in the courts of our land. The three largest sugar importers, Atlantic Sugar Refineries, Redpath Sugar and St. Lawrence Sugar, were convicted of price-fixing in 1963. What happened? They were told they were bad little companies and they had to pay a fine. More than that, they suffered the full impact of the majesty of the law and were served with a restraining order not to do it again. But they went on dipping into the Canadian consumer's pocket for eight more years. Now they are back in front of the courts again, charged with the same offence of price-fixing; and not only with conspiring to boost the price of sugar over the years to the tune of millions of dollars—$125 million to be precise—but also with keeping other companies from going into the sugar business. What is going to happen to them this time? Another fine amounting virtually to a licence to go on stealing? Another slap on the wrist?

It is not only the sugar companies, Mr. Speaker; there is a long list of companies that have been convicted of similar offences or are in the process of being convicted. There is concrete evidence that the cement companies, if you will pardon a lousy pun, both in Vancouver and Toronto are involved. And here is a dandy! Price fixing charges have been laid against 74 of the best known general insurance companies operating in Canada relating to the sale of fire insurance in Nova Scotia. There is a list of similar incidents.

I asked the Prime Minister (Mr. Trudeau) during the question period last Thursday if it would be possible to implement legislation to provide for lifting or suspending the business licence of any company convicted more than once of deliberate price-fixing. A naive question. I know that licences are issued provincially and that the federal jurisdiction relates only to the actual commission of crimes. Hon. members will remember that the Prime Minister suggested I write to the provinces concerned—me, the hon. member for Burnaby-Seymour, sitting against the velvet curtain on the very back bench over in the corner in his first term of office, should do what the government should have done long ago!

Mr. Reynolds: Hear, hear!

Mr. Nelson: Well, Mr. Speaker, I did write to the provinces. I wrote to every premier in this country. My letters might reach the desk of an assistant down the hall. I do not think the Prime Minister should have told me to write to the provinces. I think he should have written. If this government had any kind of guts, it would be writing, it would be conferring and it would be taking the lead in making it clear that corporations engage in this sort of outright banditry at the risk of losing their right to do business in this country. If they cannot do anything else, they can at least try to stamp out deliberate dishonesty in business. I wish every Canadian consumer would write to the Prime Minister and tell him so.

No wonder the people of this country feel a sense of helplessness and frustration. Frustration because they know that, despite the fact that there is a worldwide inflation problem, that there is in many cases a shortage of supply and there is a rapidly growing world population, in their heart of hearts in a country with our natural resources much of the inflationary spiral in the cost of living is avoidable.

The Secretary of State for External Affairs (Mr. Sharp) made a fine speech in which he dwelt on wage and price control—I cannot call it "policy"—statements of the Tory party. They have so many euphemisms for wage and price controls that I cannot keep track of them. But he rejected them in any case, turned to the idea of selective price controls and pointed out that these would not work, and rejected them. That, in effect, is an admission that the government feels it must follow a policy of laissez-faire in the marketplace.

The people feel helpless because they know that neither this Liberal government nor any Conservative government is going to place any kind of restraint on business profits even if they make profits 1,000 per cent over last year's. Look at Falconbridge whose profits showed a 760 per cent increase over last year. Profit is holy, profit is good and there appears to be no point at which it becomes immoral to cause suffering and hardship through excessive profits. That, of course, is why they will not entertain the idea of an excess profits tax, because to them there is no such thing as an excess profit. The question was asked in the House today, what constitutes an excess profit? No one can say. Is it 7½ per cent? Is it 10½ per cent? There is such a thing as fair dealing in business, and a fair profit might vary from one segment of industry to another. But there must be a point, surely, at which it becomes immoral to reap the kind of profits that have been published in the newspapers almost every day over the past year.

The government knows that the Food Prices Review Board could be given powers beyond mere investigation. They could impose selective price controls, they could roll back unjustifiably high prices, they could adopt the terms of our motion standing in the name of the hon. member for Toronto-Lakeshore (Mr. Grier), namely:

● (1630)

That this House calls on the government to consider the immediate introduction of legislation designed to control selectively the prices of essential commodities and to give either to the government or to a prices review board the power to roll back unjustifiable price increases.

[Mr. Reynolds.]

The facts are there for all to see. The consumer is getting fleeced right and left, and the government refuses to take action. The evidence is published daily. Dominion Stores, B.C. Packers, Loeb's, Weston's—all are reaping profits as never before. Dominion Stores increased profits by 92.6 per cent over the same period in 1972. Silverwood Industries chalked up a 107 per cent increase in 1973 over the same period in 1972. B.C. Packers, for 24 weeks ending June 17, 1973, chalked up a 125 per cent increase over the same period in 1972. Why go on? The list is endless. It seems that in our society it is morally justifiable for one to charge all that the traffic will bear and for companies to publish triumphant statements of ever bigger gains at the expense of the Canadian public.

Well, not every company publishes such figures. One of the largest octopuses on this continent does not publish profit figures. That one, of course, is the Kraft company whose tentacles stretch out into every food outlet in the country, even to the serving trays of our national airline which seems to have some sort of understanding with the crafty Kraft company. I do not buy Kraft cheese, Mr. Speaker. No, I will correct that: I do not buy cheese with the Kraft label on it, although I have no way of knowing whether the cheese I buy is marketed by Kraft under another label. I do know that I have gone into many stores which sell no cheese but Kraft. Why is that company not being investigated?

The increase in average hourly earnings for 139,600 wage earners employed in the food and beverage industry from March, 1972, to March, 1973, was 7.8 per cent, while the cost of living went up by 13 per cent. Over-all, wage increases in the last half of 1973 were down by almost 1 per cent. Even the Prime Minister admitted that. I wish people would stop talking about wage controls. Mr. Speaker, I know of very few working people who do not have to bargain, conciliate or arbitrate for every nickel they earn. If that is not a form of wage control, what is? Wages are effectively controlled in our society.

How is the farmer making out? According to the research director of the Ontario Federation of Labour, a Saskatchewan farmer receives 3 cents for the wheat contained in a loaf of bread which is selling for 37 cents. A market gardener in Bradford got 3 cents a pound for carrots requiring hardly any processing and selling for 13 cents a pound. So it goes. Somebody is making money at the intervening level, but nobody can find out who it is. Certainly Mrs. Plumptre cannot find out. If anyone suggests that the packagers, advertisers, food chains, processors or any of the middlemen are making excessive profits, the defences go up immediately, as they did when these groups were called before the trends in food prices committee.

One of our researchers pointed out:

The conglomerate nature of the corporations and the fact that they present their yearly earnings in a consolidated statement makes it extremely difficult to get at the actual profit figures solely attributable to the sale of foods. The conglomerate nature of these corporations also enables them to easily hide profits from food retailing and in the case of price freezes to take their profits from another source within the corporate structure.

Whom can the hard-pressed consumer turn to? Not to the government, evidently, because it seems content to turn a blind eye to the problem instead of taking forceful

action to control prices in a selective manner as called for in the motion before the House. Over 56 per cent of the average family's budget goes on food and housing. The housing shortage is so acute that the average family can no longer afford to buy a home. Those who do are saddled with astronomical interest rates on their mortgages.

According to the Speech from the Throne, the government is going to solve our problems by concentrating on increasing supply. I suppose that approach could help; but, Mr. Speaker, what is the use of increasing supply if you have a government which cannot, or will not, come to grips with the problems of distribution and cost?

We have never really been short of oil in this country. There is a great deal of oil. The trouble is that the oil companies have it and governments of the past, as well as this one, have allowed them free rein in playing around with the distribution, pricing and control of supply of that natural resource instead of moving into true public control and ownership of this vital commodity. The problem, in my opinion, largely involves distribution and control. The government must exercise greater control over essential commodities as the motion suggests.

If this government will not take steps to do that, what are the alternatives? A Conservative government, with its built-in oil lobby and labour-hating backbenchers? A discredited wage and price control or freeze policy is no answer because policies like that will take us back to the nineteenth century. Such government would be another big business-oriented government and would be like the government of the social creditors under whom we suffered in B.C. for so many years. Notice, I referred to social "creditors," Mr. Speaker.

The Canadian people will surely grow impatient with continuous inaction and will resort to the only recourse left to them which involves, aside from eventually electing a government which cares about people first, action to organize themselves into collective action groups. I hope sincerely that they do this soon. Mr. Speaker, I urge the government to give immediate effect to the motion before us.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I last spoke in the House on food prices about one year ago, on the motion of the hon. member for Vancouver Kingsway (Mrs. MacInnis) calling for the first report of the Special Committee on Trends in Food Prices to be concurred in. What has happened since then, Mr. Speaker? That committee has published 35 minute books covering 44 meetings and examined 100 witnesses.

Now we have the Food Prices Review Board, which is also good at producing books. It has produced its first report. There have been two quarterly reports, and another is due soon. We have seen the wage and price control study to do with Britain. Retail food stores have been surveyed, and we have seen the report on egg prices and, recently, the report on bread prices. Yes, now there is the Food Prices Review Board with a permanent staff of 45 and a very expensive chairman who carries the rank of deputy minister. The board spent about $1 million in the current fiscal year about to end and will nearly double that expenditure, to about $1.9 million, in the coming fiscal year. And where are food prices now? After all these reports, food prices are up. Beef is up by 25 per cent, poultry by 34 per cent, and eggs have risen by 26 per cent, all in one year.

I should like to examine the motion for a moment, Mr. Speaker. The NDP says, "Give the government more power so that it can do something." It is fine for them to say that, now that they are part of the government and feel they deserve power. But let us look at the exact wording of the motion. Its very language reveals the socialists' ignorance of economics. The socialists want "to control selectively the prices of essential commodities." The government has boasted that it has imposed selective controls. Look at the chaos we now face. The NDP motion goes on to say that the government or board should "roll back unjustifiable price increases."

When will those people learn that the government has no power to do anything of the sort? The socialists do not understand the nature and function of prices. They believe that prices somehow are determined by costs of production, whereas in reality the price of a product at any given time has nothing to do with the cost of production.

Before I came to this place I had been involved in producing businesses, particularly in the real estate field. I know of many instances of property selling well below the cost of production, and many a bankrupt manufacturer can testify to the correctness of what I have said. The purchaser is not interested in the cost of production. He is interested in paying the lowest possible price. He is interested in what any particular item is worth to him. The Marxist idea that prices are determined by the cost of production is nonsensical. In reality, the opposite is true.

● (1640)

Market prices of consumer goods and services today determine the amount of production tomorrow. When a person sees that the price of a particular product is high enough to enable him to produce and sell it at a profit, he will produce that product unless he sees that other producers are already moving toward increasing that supply to meet the consumer need. That is why we have market surveys. If other producers have already scheduled enough additional production to increase the supply of a product so that the price will fall to a level making the price unattractive, i.e. unprofitable, then our producer will pass that product.

This marketing system is really marvellous. It spontaneously directs, by means of the profit motive, producers to increase or decrease production. That is how prices determine production. However, they perform another very valuable function as well. They clear markets. If consumer demand for chickens falls, grocers will reduce their prices in order to move them, otherwise they will be stuck with old chickens on their shelves. If consumer demand for chicken rises, grocers will find that chickens are being cleared off their shelves faster than they can be replenished. If they do not mark up their posted prices, early shoppers will clear out the supply and later shoppers will find none available in the store at any price.

Suppose politicians decide that prices should not rise in accordance with demand. The early shoppers would clear out the available supply. If the late shoppers wanted any chickens at all, they would have to go into the free market,

sometimes called the black market. There they would find some of the early shoppers willing to resell at the higher or market price. The politicians will claim they have saved consumers from high food prices, but consumers will know that at the fixed legal price few chickens are available, except perhaps to the early risers who stand in line outside grocery stores. The rest of us pay the market price which the politicians were unable to lower. That is the situation with consumer goods in general in Russia and with the gasoline market today in the United States.

In the next step in this process the politicians embark on a legal rationing program, which means that they increase our taxes in order to hire bureaucrats to print and distribute ration books. This means that the free market behind the grocery store becomes less a market in good, fresh chickens and more a market in good, fresh ration coupons, and the politicians have made us worse off again. When politicians try to impair the delicate and marvellous workings of the free market, they harm us all.

The socialist resolution mentions "unjustifiable" price increases. It should be clear that no free market price is ever unjustifiable. It is determined by supply and demand. This talk about unjustifiable price increases is typical NDP pap. What may be an unjustifiable price to one member of society may be totally justified to another. It is not for the politicians to make that decision. They would tell an inefficient operator with high costs and low profits that it would be all right to increase his price because his profits are not too high. They would tell the efficient operator who is making a good profit that he cannot increase because it would not be justified. We would have two different companies selling the same product at different prices because the government has said so. Any attempt by politicians to compel people to trade at a legal price which is not the market price would certainly be unjustifiable.

The NDP always want a villain. They rant, rave, shout and confuse the issue. They are trying to fool the people. They say they are interested in people, but they are not. They are just interested in power. All we have to do is look at their votes in recent days. The NDP are devoid of principles, unlike my party which demonstrates in its votes and actions that it is a party of principle and a party of the people.

The leader of the NDP whips the corporations. He forgets that corporations are made up of people. Corporations have no giant pools of money to pay taxes or anything else. All corporation money comes from people; it comes from their customers, suppliers, employees or shareholders. There are no other sources of funds for corporations. The Progressive Conservative Party recognizes that corporations are made up of people.

We have seen the NDP flip-flop on other votes in the House in recent months. Just yesterday in committee the NDP voted against showing displeasure of the chairman of the Food Prices Review Board, completely reversing their position of four months ago when they put a motion which included a provision to fire poor old Plumptre.

Mr. Knowles (Winnipeg North Centre): She's not that old.

[Mr. Clarke (Vancouver Quadra).]

Mr. Clarke (Vancouver Quadra): How does the government look in this situation? We have all heard of the two-bit politician. Now we have two-cent government. The government is worrying about a few pennies increase in prices here and there, while ignoring the main problems and causes. They have said as much in the House. They have said there is no problem. They have also said they do not know what the problem is, but they will put in some selective controls anyway. They like to blame inflation on the rest of the world. I wish to quote from an editorial that appeared in the Vancouver *Sun*:

> If smallpox were pandemic among all the nations of the world, the Canadian government would still be expected to try to stamp it out here.
>
> Yet the economic disease of inflation, now raging internationally, is regarded by Ottawa as being quite endurable so long as it isn't worse here than elsewhere.

The government cannot blame this on the Leader of the Opposition (Mr. Stanfield) because he has not any power. What do they do? They just criticize his proposals and say they will not work, even though they do not have any proposals of their own. They do nothing except bend their policies to keep the NDP happy so they can all stay in office together.

What are the basic causes of inflation and high food prices? The basic causes are the policies of the government of Canada. First we have the government's monetary and fiscal policies and, second, the government's interference in business and personal lives of Canadians. We have had a greatly expanding supply of money. It is elementary that if the supply of any commodity is vastly increased, its value will fall. I do not want to get into detail on that because my colleague, the hon. member for Don Valley (Mr. Gillies), explained it very well earlier.

Mr. Grier: Do you agree with him?

Mr. Clarke (Vancouver Quadra): It is interesting to note that in a debate last year on this same topic—

Mr. Grier: Do you agree with him?

Mr. Knowles (Winnipeg North Centre): He is hard of hearing.

Mr. Clarke (Vancouver Quadra): —I remarked, and I quote:

> Both parties of the coalition government say that they want to force manufacturers to disclose more information about their products. Perhaps the government should print a disclosure on its own paper money which would warn the holder that its future value is questionable.

Another factor in the monetary policy is government expenditure. We have just recently seen the budget. I wish to read another quote from a recent edition of the *Globe and Mail*. This is by the president of the Institute of Chartered Accountants:

> Canadians ought to be able to look to government for a lead in the anti-inflation battle.

I do not have time to quote the editorial fully. He goes on to make reference to the wild extravagances of the government and senior civil service. In the same editorial there is reference to another view presented by the Canadian Chamber of Commerce as follows:

> It was warning that governments must check the massive growth of

taxes in recent years to avoid "serious social problems in the attitudes of working Canadians toward the disadvantaged.

● (1650)

Then they go on to talk about the middle-class we hear so much about. Back in Ottawa Arthur Blakely says in his opening paragraph in the *Citizen*:

Any Canadian family which tried to do its budgeting federal-government style would go bankrupt in short order.

What about these taxes that the government is collecting? Their expenditures have increased to $22 billion, up nearly 20 per cent from last year. I should like to give the House another quote from a statement made over 100 years ago about governments that do this sort of thing. More than a century ago the French philosopher Bastiat wrote:

The state, too, is subject to the Malthusian Law. It tends to expand in proportion to its means of existence and to live beyond its means, and these are, in the last analysis, nothing but the substance of the people. Woe to the people that cannot limit the sphere of action of the state: freedom, private enterprise, wealth, happiness, independence, personal dignity, all vanish.

Let me say something about the government's interference in business and in the personal lives of all Canadians. Take, for example, the CNR with its 30 subsidiary companies. What business has the government to be in the hotel business, the airlines business and the radio and television business which has cost us $300 million in this current fiscal year? The government is also in real estate. I am sure the deputy minister of public works does a good job and is proud of the fact that he is head of the biggest landlord in the country. That is not what governments are for.

What else has the government done in this regard? They have established a whole host of what are called marketing boards which are supposed to be helping the people. The Food Prices Review Board does not agree with that, because the board says that it cannot accept any group action which artificially inflates consumer prices. That is what marketing boards do.

The former auditor general has stated that governments should never go into business because they do not have competent people to place at the helm, and the results are inevitably disastrous. The Polymer Corporation was sold to the Canada Development Corporation and then the government fired the auditor general. We all know the problems Mr. Henderson had when he was auditor general of Canada, and he had this to say: "It's just that the government was plain embarrassed by what I was digging up".

In British Columbia an economic consultant described the effect of government policies on feed grains for cattle which caused the majority of British Columbia-raised beef cattle being grain fed in the prairie province to be slaughtered in the prairie provinces and reshipped to British Columbia. All of this unnecessary movement not only raised British Columbia beef prices but eliminated a considerable meat packing industry.

Let me now say something about the small businessman and how he suffers from government interference. Many of them are forced out of business because they just cannot cope with government rules and regulations. It is all right for the big boys, but the little fellow just cannot hack it. Individuals are being forced more and more to call upon people like their MPs, who are practically acting as ombudsmen now.

Today we see our MPs in Ottawa with two secretaries, and the government has just authorized an additional one for the riding. In the old days—which are not so old, only 20 years ago—when some of the members of this House first came here, two MPs shared one secretary and one telephone in one office. Now that the government has become so involved in all our lives, each member has three offices, three secretaries and three telephones. In Denmark the people have just thrown out the old government and elected a fellow who promises to abolish taxes and to fire half of the nation's civil servants.

The government has its own version of socialist theories vis-à-vis the corporations. Just as the NDP views the corporations having a bottomless pit of money, governments forget that governments do not have bottomless pits of money. All their money comes from the taxpayers, in this case the people of Canada.

We have looked at the causes, Mr. Speaker, and now let us look at the solutions. What can the government do? The general inflation, the general decline in the value of money, is caused by the rapid increase in the supply of paper money. The government should stop increasing the money supply so rapidly. The substantial increases in food prices in particular are caused by the government's policy of preventing free markets from working normally.

Consumers are served best when they are free to buy from the most efficient suppliers, domestic or foreign. Tariffs are harmful to consumers and should be repealed. The government sometimes lifts tariffs, but is quick to replace them when producers complain. The government's tariffs restrict foreign competition. The government-granted monopolies restrict domestic competition. By protecting inefficient producers from the competition of efficient ones, the government harms consumers by preventing them from obtaining the best products at the lowest price, and the government harms efficient producers by preventing them from growing and prospering.

Finally, Mr. Speaker, over the last two days and continuing next week we are debating the amendments to the Combines Investigation Act. These amendments, if passed, will force competition in some areas where there has hardly been any need. If ever we needed an example of a government devoid of any real basic policy, we now have it. We have one set of laws to prevent competition in many fields, and another set of laws to order competition in other fields. Clearly the government has gone round the bend and has met the NDP coming round the other way.

May I call it five o'clock, Mr. Speaker?

Mr. Speaker: It being five o'clock, the proceedings under section (11) of Standing Order 58 are deemed to have terminated. I do now leave the chair. The House stands adjourned until two o'clock on Monday afternoon.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 18, 1974

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. STANFIELD—ENERGY EXPORT TAX PROCEEDS AND EQUALIZATION—POSITION OF MINISTER OF FINANCE

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am rising to reply to the question of privilege raised by the Leader of the Opposition (Mr. Stanfield) on Friday and to clear up a misunderstanding that has arisen with respect to the equalization of provincial receipts from the export tax on oil. Since last Tuesday when I responded to a question from the hon. Leader of the Opposition I have reviewed the various exchanges that have taken place on this subject and I can now understand why there is some ambiguity about my position.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): When I made my statement on this subject on January 4, I was under the impression that provincial receipts from the sharing of the oil export tax for the period October, 1973, to January, 1974, would be included in the provincial revenues subject to equalization. Under the circumstances, I calculated that the cost to the Canadian taxpayer of the additional equalization payments involved would be about $25 million.

Although I was disturbed about the long-term consequences, because I had not yet verified the legal situation, I simply assumed that they would be subject to equalization. At the same time I was very concerned that the inclusion of rapidly rising oil royalties in the equalization formula and the resulting sudden jump in equalization payments would have grave consequences for Canadian taxpayers and, indeed, for the continuing viability of the equalization program itself. Hon. members will be aware of my concern from the remarks I made to the House on January 3, the day immediately preceding my reference to the potential $25 million equalization payment. During those remarks I said that if oil prices reached international levels, and were reflected in provincial revenues subject to equalization, I could foresee an increase in costs to Canadian taxpayers of over $800 million. As I later stated outside the House, the costs could be considerably more than this. Under such circumstances we would be forced into considering appropriate amendments to the equalization formula. It was these dangers I foresaw that formed the context in which I asked the Leader of the Opposition to view increased equalization payments, when I answered his question on Tuesday March 12.

In the ordinary course of pursuing this matter, I sought legal advice as to whether, under the present statute and regulations, the provincial share of receipts from the oil export tax was to be included in the provincial revenues that are equalized. The opinion I received, some time after January 4, was that these provincial receipts are not subject to equalization. Having received this advice I then attempted to clarify the situation to the first ministers at their conference on energy in January, to my colleagues the provincial treasurers and ministers of finance and subsequently to members of this House. My explanations, however, may not have been adequate, Mr. Speaker, and I am sorry if I have caused any confusion.

The one feature of this whole problem which disturbs me in the statements of the hon. Leader of the Opposition is the implication that I had misled him in our discussions prior to the passage of the export tax bill. I tried to see him last week but he was heavily committed in a way which I quite understand. It is my impression that he feels that I misled him in my argument that I needed freedom with respect to the federal share of revenues from the oil export tax after January 31 in order to pay for equalization, yet it now appears that equalization may not be due on provincial revenues charged from that tax.

First, may I say to him that when we had those discussions in early January, I, myself, was under the impression that equalization was payable against those revenues. Second, the reason for my saying that I needed freedom with the federal share of oil tax revenues was that they were required to cover the cost of any price shelter in eastern Canada if we were to achieve uniform prices across Canada and the cost of equalization. That is still the fact. The price shelter will require almost the total proceeds of the export tax. I still do not know the full amount of the total increase in equalization payments that will be due, if not on the proceeds of the provincial share of the export tax, then upon the normal flow of provincial revenues which would be eligible for equalization.

The concern I expressed to the hon. Leader of the Opposition in our private discussions, which he generously accepted, is very much alive and valid. I do not want to see the basic principles underlying the equalization program destroyed. This program has served Canadian federalism well. It has been generous to the "have-not" provinces which, this year, will get an additional $400 million to bring the total payment to cover $1.4 billion. The program enjoys an enviable international reputation and is one all Canadians can be proud of. I shall continue to protect its basic principles against the dangers I see emerging from the current energy crisis. However, Mr. Speaker, if the hon. Leader of the Opposition still feels he is owed an apology because of my failure to explain it to him and the House before now, he shall have it freely.

MR. JELINEK—COMMENTS BY POSTMASTER GENERAL ON REMARKS BY MEMBER ON 1976 OLYMPIC GAMES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise on a question of privilege arising from the

remarks made by the Postmaster General (Mr. Ouellet) on March 8, when he attempted to twist remarks I made in the House the week previous, March 1, regarding some of the circumstances surrounding the 1976 Olympic games.

I was most surprised, after the government's admitted lack of interest and their recent statements pertaining to the fact that the Montreal olympics were not a federal matter, that the Postmaster General saw fit to waste his entire speech in the throne speech debate on just that matter. From his statements of that date, it is inconceivable that a minister of the Crown—even this minister—could pursue a course of such bigotry.

● (1410)

The minister is entitled to voice any opinion regarding his thoughts and feelings toward my competence to act as the spokesman for this party on Olympic matters. His suggestion to the leader of this party as to a possible replacement will, I am sure, receive the consideration it deserves. But, Mr. Speaker, the minister goes beyond the point of parliamentary etiquette and, in fact, contradicts himself outright when he says that I and my party are anti-Quebec and anti-Olympics.

If the minister would take the time to check the record, he would find that on numerous occasions, inside as well as outside the House, I have stated, on behalf of myself as well as on behalf of our party, our support for the Olympics in general and the site of Montreal as host city in particular.

Some hon. Members: Hear, hear!

Mr. Jelinek: On March 11 my friend and colleague, the hon. member for Saint-Hyacinthe, rose on a similar question of privilege on behalf of the party. I now rise on this same matter in defence of my convictions not only regarding the Olympics but in the very important matter of the unity of this country. Therefore I request as a matter of privilege that the Postmaster General retract his statements which are totally untrue and completely unfounded.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member claims that he has a question of privilege. I have serious doubts about that. In any event, his notice and the speech he has just made do not include a motion. I have some qualms also in that this matter is being raised by the hon. member on March 18 and he is referring to a statement made on March 8, ten days ago. I doubt very much that there would be a question of privilege in such circumstances. The minister has indicated that he wants to reply. I wonder whether anything would be gained by pursuing the matter further at this time.

The hon. member claims to be replying to a statement made by the minister during the throne speech debate. That was ten days ago. The hon. member asks that I invite the minister to retract his statement. He knows that the Chair has no power to do this unless the statements made are clearly unparliamentary. I have heard similar statements, perhaps worse, made from time to time, and I would not think that the Speaker should be invited to intervene when a statement of this kind is made in the House in the course of debate, sometimes heated debate. Hon. members are aware of the well known precedent that matters which relate to a dispute as to facts should not be the basis for privilege, and I would think that in the circumstances the matter should not be pursued further.

[*Translation*]

I hope that the minister will agree with me that it is really of little avail to keep on discussing this point. I do not want to deprive the minister of the opportunity to reply since generally it has always been customary to allow an hon. member involved in a statement to reply to it. Should the minister insist, I will have to hear him but I must say that I doubt very much that this is really a question of privilege.

* * *

[*English*]

AGRICULTURE

SUBSIDY TO BEEF PRODUCERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 to ask for the unanimous consent of the House to discuss a matter of urgent and pressing necessity. As a result of the beef subsidy announced by the Minister of Agriculture last Friday, cattle markets are in a state of confusion. They are in effect closed today. The terminal markets are convinced that the subsidy will ruin them, the small packers will then be unable to operate and the large meat packing houses will be able to set the price free of competition. I move, seconded by the hon. member for Pembina (Mr. Hollands):

That the government rescind the subsidy announced last Friday and that they instead institute a subsidy on grain fed to cattle for finishing.

Mr. Speaker: This motion requires unanimous consent under Standing Order 43. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

TRADE

DEFICIT UNDER CANADA-UNITED STATES AUTO PACT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43 concerning the massive turnaround in Canada-U.S. automotive trade, according to figures released today by Statistics Canada which reveal that we have moved from a surplus position to a more than $350 million deficit position, a turnaround of more than $400 million in one year. I therefore move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House instruct the Minister of Industry, Trade and Commerce to make a statement on motions within 24 hours explaining the

reason for the $356 million deficit in Canada-U.S. automotive trade for 1973, and outlining the course of action, particularly concerning future investment, the government plans to take to remedy this situation.

Mr. Speaker: Again, this is the type of motion which requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

AIR TRANSPORT

BANKRUPTCY OF CARDINAL TRAVEL LIMITED—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Don Blenkarn (Mississauga): Mr. Speaker, I rise on a matter of urgent and pressing necessity brought on by the bankruptcy of Cardinal Travel Limited whereby at least 700 secondary school students lost, on average, in excess of $400 each and were deprived of travel arrangements to Europe and elsewhere made by school groups. I move, seconded by the hon. member for Hamilton Mountain (Mr. Beattie):

That this House direct the government to inquire into the international travel business and prepare statutory regulations for the industry, including the regulation of foreign airlines operating to and from Canada, requiring airlines to be responsible for travel arrangements organized by booking agents to the effect that in the event of the defalcation of the booking agent the airline benefiting from arrangements is responsible to the travelling public making the arrangements, whether privately or in a group, including responsibility for ground arrangements.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not.

* * *

FISHERIES

JURISDICTION RESPECTING COLLECTIVE BARGAINING FOR FISHERMEN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, pursuant to the provisions of Standing Order 43 I ask for unanimous consent to move a motion on an urgent matter. I move, seconded by the hon. member for Coast-Chilcotin (Mr. Olaussen):

That the subject matter of collective bargaining rights for fishermen, and the appropriate allocation of jurisdiction as between the federal and provincial levels of government in labour relations legislation pertaining thereto, be referred to the Standing Committee on Labour, Manpower and Immigration for investigation and report, and that the labour ministers of interested provinces be invited to appear before the committee to present their views in connection therewith.

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. Therefore, the motion cannot be put.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

EXCLUSION OF NORTHWEST TERRITORIES AND YUKON FROM PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise under the provisions of Standing Order 43 concerning the exclusion from the DREE program of the Northwest Territories and the Yukon. I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That the question of the exclusion of the Yukon and Northwest Territories from the opportunity of its residents to qualify for assistance under the provisions of the Department of Regional Economic Expansion be referred to the Standing Committee on Regional Development for study and report.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

[*Translation*]

AGRICULTURE

ACTION TO STOP RISING COST OF FEED GRAIN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the present situation of eastern Canada farmers, and in view of the expected increase in milk subsidies in the new milk policy which the government is about to announce, I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House consider the possibility of directing the Plumptre commission to do the utmost to prevent a price increase on feed grain which would equal the subsidy increase and leave farmers in the same precarious situation.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent, except negatively; the motion therefore cannot be put.

* * *

● (1420)

[*English*]

CANADA STUDENT LOANS ACT

AMENDMENT TO WIDEN CATEGORY OF PERSONS ENTITLED TO LOANS

On the order: Introduction of Bills:

March 14, 1974—Mr. Reynolds—Bill entituled: "An Act to amend the Canada Student Loans Act."

Mr. Speaker: The hon. member for Burnaby-Richmond-Delta has given notice of his intention to move first reading of a bill to amend the Canada Student Loans Act. The Chair has had a preliminary look at the proposed bill and, even with a preliminary look, has very serious doubts whether it is acceptable from a procedural standpoint. The hon. member in his proposal seeks to extend the provisions of the act so as to widen the category of persons who may become the beneficiaries of loans under the act. It seems to the Chair that this provision would create an additional charge upon the treasury. I do not want to be unfair to the hon. member. It may be that he has some argument to submit in support of his bill from a procedural standpoint and perhaps the matter could be allowed to stand today and the hon. member could look at the procedural aspect. As he knows, the difficulty is that he does not have the royal recommendation. If, in the meantime, he could go to His Excellency and receive from him a recommendation, that would assist the Chair considerably and the hon. member also.

* * *

BANK ACT

AMENDMENTS TO PROVIDE FOR INCORPORATION BY LETTERS PATENT AND HOLDING OF CAPITAL STOCK BY PROVINCIAL GOVERNMENTS

Hon. John N. Turner (Minister of Finance) moved for leave to introduce Bill C-13, to amend the Bank Act to enable banks to be incorporated by letters patent and to enable capital stock of banks to be held and voted by provincial governments.

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

* * *

FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACTS

AMENDMENTS RESPECTING LOANS AND GOVERNMENT LIABILITY

Hon. John N. Turner (Minister of Finance) moved for leave to introduce Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and Fisheries Improvement Loans Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

OLD AGE SECURITY PENSION AND GUARANTEED INCOME SUPPLEMENT

Question No. 20—Mr. Knowles (Winnipeg North Centre):

1. How many persons in Canada, and in each province, are in receipt of the Old Age Security pension?

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

3. Of those receiving the Guaranteed Income Supplement, how many persons in Canada, and in each province, are receiving the full amount?

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

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

Hon. Marc Lalonde (Minister of National Health and Welfare): 1-4. See table; effective December 1973.

5. See table; average number of pensioners paid while outside Canada during the quarter ending December 1973.

Province	(1) OAS Pensioners	(2) GIS Recipients	(3) Maximum GIS Recipients	(4) Average GIS Payment	(5) Quarterly Average Number of OAS Pensioners Paid While Outside Canada December 1973
				$	
Newfoundland	34,273	28,948	19,978	65.27	106
Prince Edward Island	12,849	9,883	5,262	62.72	77
Nova Scotia	75,655	51,809	26,427	62.45	430
New Brunswick	57,349	39,183	20,926	61.76	404
Quebec	447,404	284,289	148,366	61.91	3,701
Ontario	678,995	339,245	125,372	58.33	5,869
Manitoba	100,533	62,945	25,991	59.79	642
Saskatchewan	98,371	60,286	25,126	58.14	432
Alberta	125,536	76,584	33,353	60.44	740

Province	(1) OAS Pensioners	(2) GIS Recipients	(3) Maximum GIS Recipients	(4) Average GIS Payment	(5) Quarterly Average Number of OAS Pensioners Paid While Outside Canada December 1973
				$	
British Columbia	218,104	122,809	48,799	57.49	2,677
North West Territories	917	764	631	71.85	1
Yukon	530	331	231	66.23	10
National	1,850,516	1,077,076	480,462	59.97	15,089

SOURCE: DSS Statistical Report for December 1973.

NEWSPRINT DISTRIBUTION RESEARCH

Question No. 39—**Mr. Hellyer:**

1. Has the Department of Industry, Trade and Commerce undertaken a study entitled "Newsprint Distribution Research"?

2. Does the planned research include all newsprint origins in Eastern Canada or just some and, if the latter, which ones?

3. What is the estimated cost of the study?

What are the names and qualifications of the principal personnel engaged in the study?

5. Has any computer time been purchased and, if so, from what companies or institutions?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. As part of the government's strategy to improve the international competitiveness of Canada's pulp and paper industry, the Department of Industry, Trade and Commerce is contributing to the cost of an investigation of possible methods of reducing distribution costs for the movement of newsprint from Eastern Canada to customers in the United States. Marketing is not included. Under the Trade/Industrial Program, contributions are being made to the Canadian National Railways and to Newsprint Distribution Research, which are conducting separate parts of the investigation at arms length. Newsprint Distribution Research is a non-profit association established on May 1, 1973, to carry out the investigation. Principals are a group of five newsprint companies operating mills in Ontario, Quebec, Manitoba and Newfoundland: Anglo-Canadian Pulp and Paper Mills Limited, The Price Company Limited, Domtar Limited, Abitibi Paper Company Limited, Consolidated-Bathurst Limited.

2. The study covers newsprint originating in mills of the principals. Subsequently, if results indicate significant economies, all newsprint producers in Eastern Canada will be invited to participate in the formation of a co-operative distribution organization.

3. Estimated cost of the project is expected to total about $1 million of which the Crown is contributing approximately $500 thousand. The government portion is repayable if the project results lead to the formation of a distribution organization.

4. The Chairman of Newsprint Distribution Research is Mr. J. P. Lunderville, Vice-President, Engineering, Purchasing and Transportation, Domtar Limited. Mr. S. French, seconded from Domtar Limited where he was Director of Transportation, is full time Project Director. Both have many years experience in the manufacture and distribution of forest products. The Project Director of the Canadian National section of the project is Mr. Walter Wynne, a senior rail systems planning specialist with the railroad.

5. No computer time has been purchased to date.

CLOSURE OF POST OFFICES IN ONTARIO

Question No. 42—**Mr. Cossitt:**

1. How many post offices have been closed by the government in the Province of Ontario since April 20, 1968?

2. In what municipality and in what electoral district are each of these post offices located?

Hon. André Ouellet (Postmaster General): 1. April 1968-September 1970, 327; October 1970-Present, 55. The program to close small post offices ended in September 1970. Closings since that date are due to factors such as inauguration of letter carrier or rural delivery to meet public request, amalgamation of communities, dwindling populations, inability to recruit replacement on death or retirement of former postmaster, etc.

2. Nipissing, 10; Algoma, 18; Cochrane, 17; Thunder Bay, 6; Kenora-Rainy River, 2; Frontenac-Lennox-Addington, 22; Grenville-Carleton, 5; Lanark-Renfrew-Carleton, 14; Northumberland-Durham, 8; Peterborough, 6; Renfrew North-Nipissing East, 4; Victoria-Haliburton, 20; Parry Sound-Muskoka, 7; Grey-Simcoe, 5; Kent-Essex, 4; Brant, 4; Perth-Wilmot, 1; Norfolk-Haldimand, 5; Sarnia-Lambton, 1; York West, 1; Scarborough East, 1; Wellington, 1; Elgin, 5; Perth Wilmot, 3; Oxford, 3; York North, 1; Parry Sound-Muskoka, 32; Timiskaming, 10; Sudbury, 5; Timmins, 1; Nickel Belt, 1; Glengarry-Prescott-Russell, 12; Hastings, 23; Leeds, 13; Ottawa-Carleton, 3; Prince Edward-Hastings, 9; Stormont-Dundas, 4; Simcoe North, 10; Wellington-Grey-Dufferin-Waterloo, 14; York-Simcoe, 9; Halton-Wentworth, 2; Northumberland-Durham, 6; Lincoln, 2; Peel-Dufferin-Simcoe, 4; Ontario, 7; Welland, 2; Lambton-Kent, 8; Bruce, 22; Middlesex, 3; Huron, 4; Essex-Windsor, 2. It is not possible, without going to a very large expense, to include the municipalities of each closed post office. Many former offices are located in unincorporated areas and do not belong to any municipality. Many Townships have been amalgamated with other municipalities and now come under one government.

POST OFFICE, LYNDHURST, ONTARIO

Question No. 48—**Mr. Cossitt:**

1. (a) What is the location of the Post Office in Lyndhurst, Ontario (b) from whom are the premises rented and what is the rent?

2. How long is the lease and does it contain an option to renew?

3. What are all addresses whatsoever contained in government records for the owner of the premises?

4. Who is the Postmaster at Kingston, Ontario and what is his residence address?

Order Paper Questions

5. (a) Who negotiated the lease for the Lyndhurst Post Office on behalf of the government (b) what are the names of all persons involved in such negotiations (c) what is the exact or approximate date that such negotiations commenced?

6. Is the government aware whether or not the owner of the premises containing the Lyndhurst Post Office is the daughter of any relative whatsoever of the Postmaster at Kingston, Ontario?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Post Office and Public Works as follows: 1. (a) The former store known as the "Webster Building" located on the northeast corner of Charles and Jonas Streets in Lyndhurst, Ontario. (b) Mrs. Deborah Lawlor. The rent is $5,500 per annum (all inclusive).

2. Five years effective May 1, 1973, with option to renew for a further period of five years on three months' written notice.

3. 82 Pembroke Street, Kingston, Ontario. K7L 4N7.

4. Mr. J. S. Hackett, 82 Pembroke Street, Kingston, Ontario. K7L 4N7

5. (a) Mr. M. Dubuc, Property Officer, Property Services Branch, Capital Region, Department of Public Works, Ottawa, Ontario. (b) Mrs. Deborah Lawlor, the owner, and Mr. M. Dubuc of this Department. (c) January 3, 1973.

6. The owner of the premises housing the Lyndhurst, Ontario, Post Office is the daughter of the Postmaster at Kingston, Ontario.

CLOSURE OF POST OFFICES IN BRITISH COLUMBIA

Question No. 64—**Mr. Cossitt:**

1. How many post offices have been closed by the government in the Province of British Columbia since April 20, 1968?

2. In what municipality and in what electoral district are each of these post offices located?

Hon. André Ouellet (Postmaster General): 1. April 1968-September 1970, 78; October 1970-present, 26. The program to close small post offices ended in September 1970. Closings since that date are due to factors such as inauguration of letter carrier or rural delivery to meet public request, amalgamation of communities, dwindling populations, inability to recruit replacement on death or retirement of former postmaster, etc.

2. Kootenay West, 19; New Westminster, 1; Kamloops-Cariboo, 12; Skeena, 13; Okanagan Boundary, 4; Okanagan-Kootenay, 3; Capilano, 2; Comox-Alberni, 11; Nanaimo-Cowichan-The Islands, 7; Surrey-White Rock, 3; Fraser Valley West, 6; Prince George-Peace River, 7; Burnaby-Richmond-Delta, 1; Victoria, 1; Coast Chilcotin, 10; Yukon Territories, 4. It is not possible, without going to a very large expense, to include the municipalities of each closed post office. Many former offices are located in unincorporated areas and do not belong to any municipality. Many townships have been amalgamated with other municipalities and now come under one government.

CLOSURE OF POST OFFICES IN ALBERTA

Question No. 65—**Mr. Cossitt:**

1. How many post offices have been closed by the government in the Province of Alberta since April 20, 1968?

[Mr. Cossitt.]

2. In what municipality and in what electoral district are each of these post offices located?

Hon. André Ouellet (Postmaster General): 1. April 1968-September 1970, 184; October 1970-present, 7. The program to close small post offices ended in September 1970. Closings since that date are due to factors such as inauguration of letter carrier or rural delivery to meet public request, amalgamation of communities, dwindling populations, inability to recruit replacement on death or retirement of former postmaster, etc.

2. Crowfoot, 21; Red Deer, 14; Palliser, 10; Medicine Hat, 11; Rocky Mountain, 14; Lethbridge, 5; Peace River, 16; Northwest Territories, 2; Vegreville, 25; Pembina, 29; Wetaskiwin, 18; Battle River, 2; Athabasca, 19; Edmonton West, 3; Calgary South, 2. It is not possible, without going to a very large expense, to include the municipalities of each closed post office. Many former offices are located in unincorporated areas and do not belong to any municipality. Many townships have been amalgamated with other municipalities and now come under one government.

CLOSURE OF POST OFFICES IN MANITOBA

Question No. 66—**Mr. Cossitt:**

1. How many post offices have been closed by the government in the Province of Manitoba since April 20, 1968?

2. In what municipality and in what electoral district are each of these post offices located?

Hon. André Ouellet (Postmaster General): 1. April 1968-September 1970, 138; October 1970-present, 9. The program to close small post offices ended in September 1970. Closings since that date are due to factors such as inauguration of letter carrier or rural delivery to meet public request, amalgamation of communities, dwindling populations, inability to recruit replacement on death or retirement of former postmaster, etc.

2. Provencher, 30; Dauphin, 32; Lisgar, 17; Brandon-Souris, 8; Portage, 9; Churchill, 9; Marquette, 31; St. Boniface, 1; Selkirk, 10. It is not possible, without going to a very large expense to include the municipalities of each closed post office. Many former offices are located in unincorporated areas and do not belong to any municipality. Many townships have been amalgamated with other municipalities and now come under one government.

CLOSURE OF POST OFFICES IN QUEBEC

Question No. 67—**Mr. Cossitt:**

1. How many post offices have been closed by the government in the Province of Quebec since April 20, 1968?

2. In what municipality and in what electoral district are each of these post offices located?

Hon. André Ouellet (Postmaster General): 1. April 1968-September 1970, 199; October 1970-present, 10. The program to close small post offices ended in September 1970. Closings since that date are due to factors such as inauguration of letter carrier or rural delivery to meet public request, amalgamation of communities, dwindling populations, inability to recruit replacement on death or retirement of former postmaster, etc.

2. Gatineau, 5; Brome-Missisquoi, 3; Pontiac, 5; Labelle, 6; Témiscamingue, 8; Joliette, 1; St-Jean, 1; Hull, 1; Berthier, 2; Argenteuil-Deux Montagnes, 1; Lévis, 1; Villeneuve, 11; Compton, 1; Richelieu, 2; Vaudreuil, 2; Terrebonne, 1; Bellechasse, 10; Gaspé, 25; Bonaventure-Îles-de-la-Madeleine, 31; Abitibi, 8; Charlevoix, 13; Beauce, 7; Montmorency, 4; Kamouraska, 11; Matane, 5; Portneuf, 7; Roberval, 9; Richmond, 2; Manicouagan, 4; Rimouski, 3; Frontenac, 10; Champlain, 7; Lotbinière, 1; St-Maurice, 1. It is not possible, without going to a very large expense, to include the municipalities of each closed post office. Many former offices are located in unincorporated areas and do not belong to any municipality. Many townships have been amalgamated with other municipalities and now come under one government.

CLOSURE OF POST OFFICES IN NEW BRUNSWICK

Question No. 68—**Mr. Cossitt:**

1. How many post office have been closed by the government in the Province of New Brunswick since April 20, 1968?

2. In what municipality and in what electoral district are each of these post offices located?

Hon. André Ouellet (Postmaster General): 1. April 1968-September 1970, 185; October 1970-present, 3. The program to close small post offices ended in September 1970. Closings since that date are due to factors such as inauguration of letter carrier or rural delivery to meet public request, amalgamation of communities, dwindling populations, inability to recruit replacement on death or retirement of former postmaster, etc.

2. Northumberland-Miramichi, 39; Restigouche, 18; Carleton-Charlotte, 22; Moncton, 6; Fundy-Royal, 23; Westmoreland-Kent, 16; Gloucester, 46; York-Sunbury, 14; Madawaska-Victoria, 4; Saint John-Lancaster, 2. It is not possible, without going to a very large expense, to include the municpalities of each closed post office. Many former offices are located in unincorporated areas and do not belong to any municipality. Many townships have been amalgamated with other municipalities and now come under one government.

CLOSURE OF POST OFFICES IN NOVA SCOTIA

Question No. 69—**Mr. Cossitt:**

1. How many post offices have been closed by the government in the Province of Nova Scotia since April 20, 1968?

2. In what municipality and in what electoral district are each of these post offices located?

Hon. André Ouellet (Postmaster General): 1. April 1968—September 1970, 217; October 1970—present, 10. The program to close small post offices ended in September 1970. Closings since that date are due to factors such as inauguration of letter carrier or rural delivery to meet public request, amalgamation of communities, dwindling populations, inability to recruit replacement on death or retirement of former postmaster, etc.

2. South Western Nova, 32; South Shore, 29; Cape Breton-The Sydneys, 3; Annapolis Valley, 18; Cumberland-Colchester North, 23; Central Nova, 23; Dartmouth-Halifax East, 10; Cape Breton-East Richmond, 15; Halifax East-Hants, 7; Cape Breton Highlands-Canso, 68; It is not possible, without going to a very large expense, to include the municipalities of each closed post office. Many former offices are located in unincorporated areas and do not belong to any municipality. Many townships have been amalgamated with other municipalities and now come under one government.

CLOSURE OF POST OFFICES IN PRINCE EDWARD ISLAND

Question No. 70—**Mr. Cossitt:**

1. How many post offices have been closed by the government in the Province of Prince Edward Island since April 20, 1968?

2. In what municipality and in what electoral district are each of these post offices located?

Hon. André Ouellet (Postmaster General): 1. April 1968-September 1970, 35; October 1970-present, 1. The program to close small post offices ended in September 1970. Closings since that date are due to factors such as inauguration of letter carrier or rural delivery to meet public request, amalgamation of communities, dwindling populations, inability to recruit replacement of death or retirement of former postmaster, etc.

2. Cardigan, 11; Malpeque, 13; Hillsborough, 6; Egmont, 6. It is not possible, without going to a very large expense, to include the municipalities of each closed post office. Many former offices are located in unincorporated areas and do not belong to any municipality. Many townships have been amalgamated with other municipalities and now come under one government.

CLOSURE OF POST OFFICES IN NEWFOUNDLAND

Question No. 71—**Mr. Cossitt:**

1. How many post offices have been closed by the government in the Province of Newfoundland since April 20, 1968?

2. In what municipality and in what electoral district are each of these post offices located?

Hon. André Ouellet (Postmaster General): 1. April 1968-September 1970, 166; October 1970-present, 12. The program to close small post offices ended in September 1970. Closings since that date are due to factors such as inauguration of letter carrier or rural delivery to meet public request, amalgamation of communities, dwindling populations, inability to recruit replacement on death or retirement of former postmaster, etc.

2. Bonavista-Trinity-Conception, 38; Gander-Twillingate, 24; Humber-St. George's-St. Barbe, 28; St. John's East, 6; Burin-Burgeo, 46; Grand Falls-White Bay-Labrador, 18; St. John's West, 18. It is not possible, without going to a very large expense, to include the municipalities of each closed post office. Many former offices are located in unincorporated areas and do not belong to any municipality. Many townships have been amalgamated with other municipalities and now come under one government.

Order Paper Questions

DEPARTMENT OF VETERANS AFFAIRS—USE OF ADVERTISING AGENCIES

Question No. 105—**Mr. Cossitt:**

1. What are the names and addresses of all advertising agencies used by the Department of Veterans Affairs since the present Minister assumed his portfolio?

2. (a) What are the amounts of all advertising contracts given such agencies during this period of time, what are the dates such contracts were awarded and in each case, were tenders or competitive presentations of any kind requested and, if not, who authorized in each case the expenditure of public funds without such tenders or competitive presentations (b) in each case, what was the general subject matter of the advertising contract?

3. What are the names and addresses of all advertising agencies used by the Department of Veterans Affairs during the term of the Minister's immediate predecessor and if any of these agencies have not been used since then, for what reason and on whose decision were changes made?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Hulme Advertising, 4 Lansing Square, Willowdale, Ontario. M2J 1T1

2. There is no formal contract awarded. The agency is used on an as required basis. The expenditure from November 1972 amounts to $92,833.

3. Petersen Hulme Limited, 130 Bloor Street West, Toronto, Ontario. M5S 1N5 (This is the same agency which has undergone a change of ownership.)

IN-FLIGHT ENTERTAINMENT COSTS

Question No. 118—**Mr. McKinnon:**

1. Disregarding the revenue from renting or selling earpieces, what is the annual cost of renting films for presentation in flight on Air Canada flights?

2. How often are the films changed?

3. How much extra would it cost to change films (a) weekly (b) each fortnight?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The Management of Air Canada advises as follows: 1. Air Canada's annual cost of renting films and equipment for in-flight presentation is approximately $340,000.

2. Films are changed approximately every six weeks.

3. (a) A change of films every week would cost Air Canada $874,000 and $1,197,000 more per annum. (b) A change of films every two weeks would cost Air Canada between $494,000 and $539,000 more per annum.

CANADA-UNITED STATES RELATIONS IN EARLY 1973

Question No. 121—**Mr. McKinnon:**

1. Concerning the diplomatic reprisals by the United States against Canada in January and February, 1973, is the Secretary of State for External Affairs aware that Canadian Diplomats were advised at the State Department that no one above the level of the Canada Desk Officer would receive them?

2. Is the Minister aware that United States businessmen were specifically warned by White House Aides to avoid Canadian Diplomats?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Presumably the question is related to various press reports at the time and later to the effect that the embassies of a number of countries were having difficulty maintaining normal contact at different levels of the U.S. Government. The Canadian Embassy was not advised by the U.S. State Department that there would be any restriction of access by Canadian diplomats.

2. No information was received of any warning to American businessmen to avoid Canadian diplomats.

CHARGES FOR SAR IN ARCTIC WATERS

Question No. 187—**Mr. Forrestall:**

Has any decision been taken by the government with respect to whether or not charges should be levied against the rescued owners of a vessel beset in Arctic waters and (a) if so, what is it (b) if not, on what date might such a policy be forthcoming?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): No decision has yet been taken by the government. (b) No date has been set for the issuance of such a policy.

POLAR ICEBREAKER

Question No. 188—**Mr. Forrestall:**

1. With reference to Question No. 750 of the First Session of the 29th Parliament, has the government revised the estimate of the late seventies in terms of the date at which natural resources are likely to be exploited in the Canadian Arctic Achipelago?

2. What length of time would be required from date of approval of funding to the bringing about into fully operational capability of a polar icebreaker capable of 10 to 12 month operation in the Canadian Arctic Archipelago?

3. On what date will a decision be required to construct such a vessel in order to meet the government's stated deadline as indicated in answer to Question No. 750, namely, the date that natural resources are likely to be exploited in the north?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. The estimate has not been revised at this time.

2. Approximately five years.

3. No date can be given upon which a decision will be required to construct a polar icebreaker, capable of 10 to 12 months' operation in the Canadian Arctic Archipelago, in so far as this date relates to an estimated date that natural resources are likely to be exploited in the north. The reply to part 3 of Question No. 750 indicated only that there was some degree of relationship between the two dates.

RESEARCH AND DEVELOPMENT OF AN ICE-BREAKING MACHINE

Question No. 189—**Mr. Forrestall:**

1. Does the government anticipate receiving from the Federal Republic of Germany or firms based therein proposals for co-operation with Canada in the research and development of an ice-breaking cargo ship in (a) 1974 (b) 1975 (c) 1976?

2. What is the nature and status of present negotiations in this regard?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Canadian and West German officials have held exploratory talks to examine the possibility and desirability of some form of co-operation between the two countries in the development of cargo ships capable of icebreaking. The German government has been working for over two

years with a German shipbuilder on studies of icebreaking cargo vessels—the so-called EOS class. During this time the Canadian government has been invited to discuss ways of joint co-operation on ice research and on the design and development of icebreaking cargo vessels. The results of the German work are expected to be made available to the Canadian government some time in early 1974. The Germans have stressed that this offer carries no obligation to any joint endeavour; in turn, the Canadian government has stated that agreement to study the German report implies no commitment to joint endeavour. At this stage, it is therefore not possible to state whether these talks will lead to co-operation between the Canadian and West German governments since we have, at the moment, neither sufficient information about the FGR capacity nor comparative data about the capacities of other countries and systems of transportation in ice-covered waters to take decisions regarding co-operative ventures on this field. A wide variety of approaches to the subject of transport in ice conditions will be examined as part of the policy announced last July by the Ministry of State for Science and Technology that Canada would achieve excellence within five years in transportation on and below ice covered waters. No formal proposals for co-operation with Canada have been received from the government of the Federal Republic or firms based therein; it is not possible to state at present whether such proposals should be anticipated in any of the years specified in the question.

2. There are no formal negotiations going on in this regard; the discussions taking place on this question are described above.

TONNAGE MOVED IN CANADIAN ARCTIC ARCHIPELAGO

Question No. 190—**Mr. Forrestall:**

1. What was the level in terms of tonnage moved in the Canadian Arctic Archipelago in each year since 1963?

2. For each year, what was the percentage of this tonnage moved in (a) Canadian (b) Commonwealth (c) other vessels?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. Tonnage figures for the total cargo which was moved in the Canadian Arctic Archipelago (Arctic Islands only) during 1963/73 are not available. However, the tonnages shipped/handled to sites in the eastern Arctic during the annual Department of Transport resupply operation in the years 1963-73 inclusive, are shown in the statement attached hereto.

2. The percentages of the tonnages lifted in Canadian, Commonwealth and other vessels, during the same period, is included in the statement.

Year	Tonnage Shipped/Handled	Vessels Canadian	Commonwealth	Other
		per cent	per cent	per cent
1963	112,509 s/tons	89	Nil	11
1964	105,000 s/tons	97	Nil	3
1965	106,600 s/tons	97	Nil	3
1966	100,675 s/tons	86	Nil	14
1967	108,067 s/tons	85	Nil	15
1968	106,745 s/tons	95	Nil	5
1969	117,062 s/tons	94	3	3
1970	127,079 s/tons	94	Nil	6
1971	113,573 s/tons	88	Nil	12
1972	99,871 s/tons	97	Nil	3
1973	92,700 s/tons (Estimate)	100	Nil	Nil

TEAM COMMISSIONED BY GOVERNMENT TO GATHER DATA RELATING TO ICEBREAKER DESIGN

Question No. 191—**Mr. Forrestall:**

1. What are the names of the members of the team commissioned by the government to gather all the pertinent data to bring about a polar icebreaker design, cost estimate and anticipated Arctic traffic that it may be required to support?

2. What progress has been made to date by this group and what is (a) the present cost estimate (b) the anticipated traffic for the next ten years?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. Persons from several government departments, MOT, DSS, NRC, AECL and DRB have been involved to date in the studies related to the design of a polar icebreaker. Numerous other individuals including outside consultants will be contributing to a greater or lesser degree as the studies and design progress and it is consequently not possible at this time to list the names of all the persons who have had, or will have, involvement in this group.

2. Model and full scale preliminary tests have been conducted, discussions have been held with consultants both in Canada and abroad and the undertaking of a further major study and design contract is now being considered. (a) No realistic cost estimate can be given at this time nor will be available until major ship parameters, such as dimensions and type and power level of propulsion machinery, have been determined. (b) Not known at this time.

OFFICERS DESIGNATED TO CARRY OUT INSPECTIONS UNDER ARCTIC SHIPPING POLLUTION PREVENTION REGULATIONS

Question No. 192—**Mr. Forrestall:**

1. How many officers of the Marine Administration of the Department of Transport have been designated as pollution officers?

2. How many selected officers of the Canadian Coast Guard have been provided with the necessary authority to carrying out inspections under the Arctic Shipping Pollution Prevention Regulations?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. Three hundred and ninety.

2. One hundred and forty three.

PERMITS ISSUED UNDER THE ARCTIC SHIPPING POLLUTION PREVENTION REGULATIONS

Question No. 193—**Mr. Forrestall:**

1. How many vessels have been (a) inspected and issued permits under the Arctic Shipping Pollution Prevention Requirements (b) inspected and refused permits under the ASPPR?

2. Did any vessels operate in the territories under the jurisdictional purview of the ASPPR without the permits required and, if so, how many and what company owned each?

3. How many ships operated by the government were so inspected and issued such permits in the 1973 shipping season?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. (a) During the 1973 navigation season, 12 vessels were inspected and issued with Arctic Pollution Prevention certificates by the Ministry of Transport. (b) No vessels were refused Arctic Pollution Prevention Certificates for which application was made.

2. All of the vessels known to have operated in territories, to which the requirement applied, carried an Arctic Pollution Prevention Certificate issued by the Ministry of Transport or by the relevant classification society, as required by the Arctic Shipping Pollution Prevention Regulations.

3. None of the vessels operated by the government were inspected and issued with Arctic Pollution Prevention Certificates.

JOINT AIR/SEA STAGING CENTRE IN THE CANADIAN ARCTIC

Question No. 197—**Mr. Forrestall:**

1. What departments or agencies of government are currently involved in discussions relating to the establishment of a joint air/sea staging centre in the Canadian Arctic, particularly the High Arctic, with multi-departmental purpose including defence and transport?

2. What level of funding has been provided for such consideration?

3. What progress has been made to date with such discussions in terms of the establishment of a date at which such a centre would become essential for Canada's claim to Arctic sovereignty particularly over the Canadian Arctic Archipelago?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. The Department of National Defence and the Ministry of Transport are not discussing, with other government departments or agencies, the establishment of new air/sea staging areas in the Canadian Arctic. An air/sea staging area in the Canadian High Arctic, at Resolute Bay, is operated by the Ministry of Transport. It serves the interest of several government departments and meets transportation requirements of the resource exploration industry.

2. No funding has been provided.

3. Not applicable.

ARCTIC OPERATIONS OF "R" CLASS ICEBREAKER

Question No. 198—**Mr. Forrestall:**

Within what zones of the Canadian Arctic Archipelago will the R-class icebreaker be able to operate and, in each instance, for what period of time?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The R-class icebreaker will be able to operate in all the zones of the Canadian Arctic Archipelago. The period of time the ship will be operating in any particular zone will depend upon operational requirements at that particular time.

FACILITIES FOR ICE-MODEL TESTING TANKS

Question No. 199—**Mr. Forrestall:**

1. What are the facilities of the Department of Transport or other agencies of the government in terms of ice-model testing tanks for

research and design experimentation into the construction and development of Canadian icebreaker capability?

2. Does the government assess this capability as adequate to accommodate the indicated development of a polar icebreaker and, if not, on what date can such capability be upgraded to accommodate such requirements?

3. Has the government any arrangement at the present time to share or make use of such facilities located in the United States and, if so, with what frequency have such facilities located outside Canada been employed in the past year?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. There are no ice-model testing facilities operated by the Ministry of Transport but there is one operated by the National Research Council.

2. The existing government facility is not totally adequate. The National Research Council advise us it would take about three years, $1.5 million and 12 extra staff to accommodate such requirements.

3. No arrangement for sharing or making use of any facilities exists except on a contract basis. These facilities were employed once in February of last year.

OPERATIONS OF UNITED STATES COAST GUARD ICEBREAKER "POLAR STAR"

Question No. 200—**Mr. Forrestall:**

1. What significance does the launching of the United States Coast Guard 60,000 shp icebreaker *Polar Star* by Lockheed Shipbuilding Co. Ltd. have for Canada's claim to sovereignty in the Arctic Archipelago?

2. On what date does the government envisage the use of this vessel in Arctic waters in fully operational capability?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. The waters around the Alaskan coast and in the Antarctic, where the United States maintains research facilities, are ice covered for much of the year and the government does not therefore consider the launching of the United States Coast Guard icebreaker "*Polar Star*" has any significance with respect to Canada's claim to sovereignty in the Arctic Archipelago.

2. The government has no knowledge as to the date of use of this ship in Arctic waters in a fully operational state, however, it is understood that the *Polar Star* will be commissioned in late 1974.

ATTENDANCE OF TRANSPORT DEPARTMENT OFFICIALS AT LAUNCHING OF U.S. COAST GUARD ICEBREAKER

Question No. 201—**Mr. Forrestall:**

Were any officials of the government present at the launching of the 60,000 shp icebreaker for the US Coast Guard by Lockheed Shipbuilding Co. Ltd., of Seattle, Washington on the week-end of November 17, 1973 and, if so, what were their names and what positions do they hold?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): There were no officials of the Ministry of Transport present at the launching of the U.S. Coast Guard icebreaker on the week-end of November 11, 1973.

GOVERNMENT POLICY ON FOREIGN ICEBREAKERS

Question No. 202—**Mr. Forrestall:**

1. What is the policy of the government towards the granting of permission to icebreakers owned and operated by the Coast Guard of a foreign nation to operate continuously within Canada's territorial waters for purposes other than search and rescue?

2. Does this policy apply to the Canadian Arctic Archipelago and, if not, what policy in these terms does apply there?

Mr. Joseph-Phillippe Guay (Parliamentary Secretary to Minister of Transport): 1. It is government policy that all requirements for the services of icebreakers within Canadian territorial waters be met by Canadian Coast Guard icebreakers.

2. Yes.

TRANSPORT—FLEET SUPPORT SHIP

Question No. 204—**Mr. Forrestall:**

1. With reference to the answer to Question No. 2,335 of the First Session of the 29th Parliament, what is the nature of the Fleet Support Ship indicated by number 166 in the Ministry of Transport's Marine Transportation Program Capital Budget Update of December 31, 1972, in terms of demands to be made of it by the government?

2. When does the government expect to see this vessel put into operational capability?

3. What class hull will such ship have and what rate of speed will it be able to maintain through six foot ice in the continuous progress mode?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. The answer to question No. 2,335 indicated, under item 166, a projected requirement for a Fleet Support Ship or alternative. The matter is still under review.

2. Not applicable at this time.

3. Not applicable at this time.

CONSTRUCTION OF POLAR ICEBREAKER

Question No. 205—**Mr. Forrestall:**

With reference to the answer to Question No, 2,335 of the First Session of the 29th Parliament, respecting item R12 of the Ministry of Transport's Marine Transportation Program Capital Budget Update of December 31, 1972 entitled "Construction of Polar Icebreaker—$100,-000,000", when does the government now anticipate to see initial construction contracts let for this icebreaker with full polar capability?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): No firm decision has been taken by the government to construct an icebreaker with full polar capability.

PORTABILITY OF PENSIONS AND RETIREMENT BENEFITS

Question No. 210—**Mr. Forrestall:**

1. With how many provincial governments has the government entered into arrangements to provide portability of pensions and retirement benefits of their respective public servants (a) from provincial realm to federal realm (b) from federal realm into provincial realm?

2. In each case, what groups of federal public servants are not provided for under these agreements?

3. In each case, what was the date of the agreement?

4. In each case, where no agreement exists, when is such anticipated?

Hon. C. M. Drury (President of the Treasury Board): 1. (a) nine; (b) 9.

2. The only Public Service employees who are not eligible to take advantage of these agreements are those who are not contributors under the Public Service Superannuation Act.

3. British Columbia, June 24, 1955; Quebec, February 13, 1962; Alberta, May 30, 1962; Saskatchewan, April 29, 1964; New Brunswick, August 31, 1965; Ontario, May 16, 1966; Newfoundland, February 19, 1970; Prince Edward Island, June 15, 1972; Nova Scotia, August 8, 1972. Employees of the governments of both the Yukon Territory and the Northwest Territories are considered employees of the Public Service for purposes of the Public Service Superannuation Act.

4. Since negotiations with the province of Manitoba are currently in progress, it is not possible to anticipate the date upon which an agreement will be completed.

CIDA—PURCHASE OF GOODS AND SERVICES

Question No. 214—**Mr. Forrestall:**

What estimate do officials of the Canadian International Development Agency have of the percentage of funds expended by CIDA, since its inception, outside of Canada that have been returned to Canada either in the purchase of goods or services by the particular interests and countries to whom Canadian funds were initially granted?

Hon. Mitchell Sharp (Secretary of State for External Affairs): It is virtually impossible to make an educated estimate of the percentage of funds expended by CIDA, outside of Canada, that have been returned to Canada either in the purchase of goods or services by the particular interests and countries to whom Canadian funds were initially granted. This question makes reference to untied aid for which CIDA is not provided with any procurement statistics by the recipient countries receiving this type of aid. Untied aid up to now has represented a very small portion of CIDA's over-all aid program and certainly does not exceed 15 per cent of all CIDA's expenditures. It is estimated, however, that up to 90 per cent of all CIDA's expenditures since its inception have been spent in Canada mainly in the form of purchase of food and commodities, engineering and consulting contracts, payments of various other types of service contracts, contracts with advisers and teachers and payment of scholarships to trainees.

CANADIANS IMPRISONED IN OTHER COUNTRIES

Question No. 234—**Mr. Carter:**

1. What are the names and addresses of all Canadian citizens imprisoned in other countries?

2. What are the dates of imprisonment and the reasons for such imprisonment?

3. What is the present legal status of each person imprisoned?

4. What action is the Department of External Affairs taking to secure the safety of such citizens being held in foreign countries?

5. What action is the Department of External Affairs taking to secure the immediate release of such citizens held in foreign countries not charged with any crime?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Foreign states are under no legal obligation to

inform other governments that they have arrested or detained their nationals unless the persons concerned so request or unless the local representatives of the governments concerned should inquire. It can be the case that Canadian representatives abroad are not informed of the arrest or detention of Canadians because the particular persons concerned do not wish this to be known. Where such information is known to the Canadian authorities, its release would not be in the public interest. It would involve unnecessary humiliation to the individuals concerned, their families and their friends.

2. In view of the answer to part 1 above, the first part of part 2 cannot be answered. Canadians are imprisoned abroad for a variety of reasons including possession, use and trafficking of narcotics of all kinds, fraud, indebtedness, theft, traffic accidents and murder or attempted murder.

3. A number of Canadians held in prisons abroad have been tried and sentenced. Others are awaiting trial in accordance with the legal and judicial systems of the countries in which they are detained.

4. Canadians imprisoned in other countries are subject to the jurisdiction of local authorities who are responsible for the maintenance of law and order in their territories and their penal institutions. Legally and officially the most that Canadian representatives abroad can and usually do in such circumstances is to ensure that a Canadian citizen is treated no less fairly than other foreign nationals, or perhaps than the citizens of that country would be treated in similar circumstances, and to ensure that appropriate legal counsel is obtained.

5. Every effort is made to secure without delay the release of Canadian citizens held without charge in foreign countries.

DEPARTMENT OF EXTERNAL AFFAIRS PUBLICITY EXPENDITURES, 1972-74

Question No. 246—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of External Affairs on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Expenditures of the Department of External Affairs were as follows: 1972-73, $2,663,000; 1973-74, $1,344,-226 (to January 31, 1974).

2. The above amounts include program expenditures of an informational nature for the purchase of materials and supplies, relating to library services, microfilming, printing of publications and promotional and cultural activities. In addition contract expenditures were incurred on advertising in connection with a nation-wide publicity campaign to inform the public on requirements relative to the procurement of passports. The amounts were paid to John Doherty and Company, Ottawa, as set out below: 1972-73, $32,320; 1973-74, $312.

[Mr. Sharp.]

3. Direct program costs under the Department's Information Division were as follows:

1972-73	Expenditure	Purpose of Expenditure
	$	
	9,413	General Travel
	953,165	Exhibits and Displays
	346,569	Information Publications
	63,635	Visitors Program
	14,018	Speakers Program
	1,728	Foreign Affairs Information in Canada
	124,132	Canadian Book Program—U.S.A. Schools
	65,005	U.S.A. Projects
	100,752	Other Program Expenditures
	1,678,417	
1973-74		
	7,686	General Travel
	134,349	Exhibits and Displays
	221,903	Information Publications
	90,817	Visitors Program
	8,407	Foreign Affairs Information in Canada
	48,873	Visual Presentations
	146,427	Programs in Foreign Countries
	8,594	Other Program Expenditures
	667,056	

DEPARTMENT OF ENERGY, MINES AND RESOURCES—USE OF ADVERTISING AGENCIES

Question No. 304—**Mr. Cossitt:**

1. What are the names and addresses of all advertising agencies used by the Department of Energy, Mines and Resources since the present Minister assumed his portfolio?

2. (a) What are the amounts of all advertising contracts given such agencies during this period of time, what are the dates such contracts were awarded and in each case, were tenders or competitive presentations of any kind requested and, if not, who authorized in each case the expenditure of public funds without such tenders or competitive presentations (b) in each case, what was the general subject matter of the advertising contract?

3. What are the names and addresses of all advertising agencies used by the Department of Energy, Mines and Resources during the term of the Minister's immediate predecessor and if any of these agencies has not been used since then, for what reason and on whose decision were changes made?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1. None.

2. Nil.

3. None.

AGREEMENT BETWEEN AIR CANADA AND AVIS TRANSPORT OF CANADA

Question No. 325—**Mr. Reynolds:**

1. Has Air Canada given an exclusive two year agreement to be the primary supplier of car rentals to Air Canada to the Avis car rental firm and, if so, was this exclusive right tendered to all other car rental firms by Air Canada?

2. On what date did Avis Canada and Air Canada enter into such agreement?

3. On what date was the controlling interest of Avis Canada sold to Avis U.S.A.?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1. Each year more and more passengers come to Air Canada for all elements of what is termed the "total travel experience"—an airline seat combined with a place to stay, a sight-seeing trip, a rental car, etc. As part of the activities being developed to satisfy this demand, the company has initiated a program whereby a passenger can, at the same time as making his flight arrangements, also reserve a rental car. Each of the three major rent-a-car firms in Canada (Tilden, Avis and Hertz) was approached regarding participation in this program. Proposals were reviewed and a complete plan selected which best satisfied Air Canada's commercial and service interests. The plan involves certain arrangements with Avis. However, these are non-exclusive; if the customer asks for a Tilden car or one from any other particular agency, an attempt is made to satisfy his request.

2. February 1973.

3. This is not known by the government.

BELL CANADA SURVEY ON AIR CANADA FLIGHTS

Question No. 326—**Mr. Reynolds:**

1. Did Bell Canada hand out questionnaires to passengers boarding Air Canada flights in Toronto on October 15, 1973 and, if so, who authorized it?

2. What fee did Bell Canada pay for this privilege?

3. To whom did Bell Canada pay this fee?

4. What is the procedure that one would use who would like to use the facilities of the government and Air Canada to do a survey?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1. Yes, with the Corporation's authorization.

2 and 3. No fee was paid. The Corporation will be compensated in the form of useful marketing data and information resulting from the survey.

4. There is no set procedure. The Corporation co-operates with the federal government (The Office of Tourism, the Canadian Transport Commission, the Ministry of Transport), provincial governments and tourist boards and other airlines and industries in the conduct of such surveys; each one is handled on its own merits and generally in a different way.

TRANSFER OF INMATES FROM BRITISH COLUMBIA PENITENTIARY

Question No. 327—**Mr. Reynolds:**

What are the names and sentences of the eight most difficult inmates transferred from the British Columbia Penitentiary to other institutions in Canada and to what institutions were they transferred?

Hon. Warren Allmand (Solicitor General): It is not considered in the public interest to divulge the names of eight inmates who were transferred from British Columbia Penitentiary in the latter part of October 1973 nor to divulge the names of the institutions to which these inmates have been transferred. The publication of this information would only provide these inmates with an opportunity to gain status among other inmates and to confirm them as leaders, a consequence which is most undesirable in any institution and definitely not in the interest of the maintenance of good order and discipline in the Federal Penal Institutions. In addition, it is necessary to preserve the anonymity of these inmates so as to avoid unnecessary humiliation to them, their families and friends.

CANADIAN PENITENTIARY SERVICE—EMPLOYMENT OF MR. AND MRS. BRIAN MURPHY

Question No. 333—**Mr. Reynolds:**

Were Mr. Brian Murphy and his wife Jeanette of Surrey, British Columbia committed to stand trial on a charge of cultivating marijuana following the completion of a preliminary hearing and, if so, will the Solicitor General (a) suspend their operations as researchers for the Canadian Penitentiary Service (b) comply with the wishes of the penitentiary staff and make sure they have no further admittance to the British Columbia penitentiary until after their trial is completed?

Hon. Warren Allmand (Solicitor General): Yes. (a) and (b) Mrs. J. Murphy who had been employed on a contractual basis terminated her employment with the Canadian Penitentiary Service at the end of May, 1973. It is not intended to suspend the operations of Mr. Brian Murphy as a researcher nor to deny him admission to the British Columbia Penitentiary when necessary in the performance of his duties. Mr. Murphy is employed on a study of inmates' profiles and his work, unlike that of correctional officers, does not require him to be in daily, continual contact with inmates in a supervisory teaching or counselling relationship. His continued employment, pending disposition of the charges now before the courts, does not in any way jeopardize the security of the institution.

DEPARTMENT OF EXTERNAL AFFAIRS—COMMUNICATION OF GOVERNMENT POLICY

Question No. 351—**Mr. Clark (Rocky Mountain):**

On what occasion and for what reasons has the Department of External Affairs assumed responsibility for communicating statements of government policy to any or all provinces?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The white paper of 1968 entitled "Federalism and International Relations" (Catalogue No. E2-6368) outlined the nature and extent of the co-operative relationship to be developed between the federal and provincial levels of government in the implementation of Canada's foreign policy. In accordance with the policies outlined in the white paper, the department conducts active and on-going discussions with the provinces on questions of foreign policy involving provincial interests. The department's Federal-Provincial co-ordinating division assures the necessary liaison on a day-to-day basis. On occasion, other departments have requested, and have been granted, the use of the department's telex communication facilities to communicate government policy, other than foreign policy, to the provinces. On these occasions the department's role was technical rather than substantive.

Order Paper Questions

CANADIAN TRANSPORT COMMISSION EXPENDITURES

Question No. 362—**Mr. Nystrom:**

1. For the fiscal years 1971-72 and 1972-73 what amount of the total expenditures for the Canadian Transport Commission were spent (a) outside of Canada (b) within Canada (c) in each of the 10 provinces, the Yukon and Northwest Territories?

2. (a) What was the total number of employees in the Canadian Transport Commission as of March 31, 1973 (b) how many of those employees would be considered employees of the headquarters and are employed on the (i) Quebec side of the national capital (ii) Ontario side of the national capital (c) how many employees does the Commission have in each of the 10 provinces, the Yukon and Northwest Territories?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows:

	1971–72	1972–73	
	$	$	
(a)	29,501	39,911	
(b)	121,705,613	184,353,531	
(c)	7,224,405	9,010,299	Ontario
	123,883	134,515	Alberta
	100,267	127,259	Manitoba
	43,714	46,720	Saskatchewan
	143,848	169,371	Quebec
	74,679	105,945	British Columbia
	23,242	25,980	Newfoundland
	72,875	79,059	New Brunswick
	—	—	Nova Scotia
	—	—	Prince Edward Island
	—	—	Yukon
	—	—	Northwest Territories

The above figures do not include $120,352,015 in fiscal year 1971-72 and $182,751,983 in 1972-73 which represent payments under the following grants and contributions: Grants to universities and other organizations and individuals, Railway payments, Regional air carriers, Steamship Subventions, Atlantic Region Freight Assistance Act, Maritime Freight Rates Act, Railway Grade Crossing Fund. These items are not identified by province and the information would require an inordinate cost and length of time to prepare.

2. (a), 619; (b) (i), nil; (ii), 564; (c) British Columbia, 6; Alberta, 6; Saskatchewan, 3; Manitoba, 6; *Ontario, 13; Quebec, 15; New Brunswick, 4; Nova Scotia, nil; Prince Edward Island, nil; Newfoundland, 2; Yukon, nil; Northwest Territories, nil. *In addition to the 564 reported in 2.(b)(ii).

DEPARTMENT OF ENERGY, MINES AND RESOURCES EXPENDITURES AND PERSONNEL

Question No. 363—**Mr. Nystrom:**

1. For the fiscal years 1971-72 and 1972-73 what amount of the total expenditures for the Department of Energy, Mines and Resources were spent (a) outside of Canada (b) within Canada (c) in each of the 10 provinces, the Yukon and Northwest Territories?

[Mr. Sharp.]

2. (a) What was the total number of employees in the Department of Energy, Mines and Resources as of March 31, 1973 (b) how many of those employees would be considered employees of the headquarters and are employed on the (i) Quebec side of the national capital (ii) Ontario side of the national capital (c) how many employees does the Department have in each of the 10 provinces, the Yukon and Northwest Territories?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1. (a) 1971-72: $10,767,716.22; 1972-73: $3,428,540.68; (b) 1971-72: $72,496,283.78; 1972-73: $73,661,-459.32; (c).

Provinces	1971–72 $	1972–73 $
Newfoundland	210,389.10	62,720.08
Nova Scotia	1,395,232.85	1,633,270.95
New Brunswick	4,260,328.70	4,307,722.99
Prince Edward Island	4,414.17	17,386.99
Quebec	5,450,845.28	4,291,202.27
Ontario	54,111,829.75	56,273,371.94
Manitoba	469,175.98	443,825.16
Saskatchewan	195,448.93	227,885.91
Alberta	3,414,633.07	3,945,422.53
British Columbia	2,391,490.06	1,781,489.05
Yukon	81,897.08	74,972.14
Northwest Territories	510,598.81	602,189.31

2. (a) 3,029 continuing full-time employees of which two are serving outside of Canada. (b) 2,728; (i) 38; (ii) 2,690; (c).

Provinces	Number of employees
Newfoundland	nil
Nova Scotia	76
New Brunswick	nil
Prince Edward Island	nil
Quebec	52
Ontario	2,715
Manitoba	4
Saskatchewan	2
Alberta	126
British Columbia	43
Yukon	1
Northwest Territories	8

DEPARTMENT OF TRANSPORT EXPENDITURES AND PERSONNEL

Question No. 368—**Mr. Nystrom:**

1. For the fiscal years 1971-72 and 1972-73 what amount of the total expenditures for the Department of Transport were spent (a) outside of Canada (b) within Canada (c) in each of the 10 provinces, the Yukon and Northwest Territories?

2. (a) What was the total number of employees in the Department of Transport as of March 31, 1973 (b) how many of those employees would be considered employees of the headquarters and are employed on the (i) Quebec side of the national capital (ii) Ontario side of the national capital (c) how many employees does the Department have in each of the 10 provinces, the Yukon and Northwest Territories?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1.

	Fiscal Year 1971-72	1972-73
	(In thousands of dollars)	
a) Outside Canada	224	232
b) Within Canada	547,451	545,342
c) Ottawa Headquarters	196,759	196,160
Newfoundland	20,609	22,695
Prince Edward Island	4,162	4,257
Nova Scotia	22,511	25,996
New Brunswick	19,117	19,081
Quebec	130,808	111,817
Ontario	71,062	75,643
Manitoba	12,067	14,803
Saskatchewan	4,346	3,067
Alberta	17,432	20,872
British Columbia	37,147	36,445
Yukon	1,890	1,598
Northwest Territories	9,541	12,908

2. (a) 16,267; (b) (i) Nil; (ii) 3,387; (c) Newfoundland, 1,287; Prince Edward Island, 172; Nova Scotia, 1,423; New Brunswick, 1,009; Quebec, 3,018; Ontario, 5,030; Manitoba, 770; Saskatchewan, 201; Alberta, 1,007; British Columbia, 1,929; Yukon Territory, 82; Northwest Territories, 325.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

CWA/WVA CASES

Question No. 147—**Mr. Marshall:**

1. How many CWA/WVA cases are handled by the district authority in each province and what amount of money is disbursed in each province?

2. How many people are on the staffs of the various district authority offices administering CWA/WVA in each of the ten provinces?

3. What criteria are used to provide staff to the various district authority offices which administer CWA/WVA accounts?

Return tabled.

FEDERAL LABOUR INTENSIVE PROGRAM

Question No. 218—**Mr. Forrestall:**

1. Since the inception of the Federal Labour Intensive Program (FLIP) in each year of operation including the fiscal year 1973-1974, what has been the breakdown in funding (a) by federal department participating (b) by province (c) by identifiable project funded (d) by year?

2. For each department and identifiable project, what has been the number of jobs created or sustained through this program?

3. What are the broad criteria for acceptance of projects, do these differ by department and, if so, in what respect?

4. What has been the deadline for submission of proposals and, for each year, what has been the date of commencement and termination of this program?

Return tabled.

DEPARTMENT OF TRANSPORT PUBLICITY EXPENDITURES

Question No. 264—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Transport on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Return tabled.

CMHC RESEARCH EXPENDITURES

Question No. 270—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by Central Mortgage and Housing Corporation on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

AIR CANADA—CONTRACTS FOR FOOD SERVICES

Question No. 342—**Mr. Clark (Rocky Mountain):**

1. With what company or companies has the government contracts for food services (a) on Air Canada flights (b) at DOT airports?

2. (a) What is the duration of each contract (b) on what date is each contract up for renewal (c) which contracts are awarded by (i) tendering (ii) other means (d) what is the means of award in each case where there is not tendering?

Return tabled.

Mr. Speaker: Oral questions. The hon. Leader of the Opposition.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I thought there might be more applause from the other side of the House, since members over there so frequently express concern that I might cease to be Leader of the Opposition.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

SUBSIDY TO BEEF PRODUCERS—REQUEST FOR DETAILS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Minister of Agriculture, whose announcement of a subsidy on certain grades of beef seems to have created a degree of confusion unusual even following announcements by this government. I would ask him whether the subsidy is to be included in the price the processor pays on buying beef or whether it is to be added to the price the processor pays for beef?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, when the right hon. Leader of the Opposition asks—

Some hon. Members: Hear, hear!

Mr. Whelan: Mr. Speaker, I am so used to answering questions about beef and farming put by the right hon. member for Prince Albert that I got a little confused.

Some hon. Members: Hear, hear!

Mr. Whelan: I apologize to the Leader of the Opposition. Later this day I hope to have in the possession of every opposition member all the details of how this program is to work, so that it can be readily understood. We realize there is some confusion about a plan like this, especially in the minds of opposition members. We want it to be in plain language so they can readily understand it and explain it to their constituents in order that the whole country can understand the plan as it should operate.

Mr. Stanfield: Mr. Speaker, I do not want to overtax the mind of the Minister of Agriculture, but I wonder whether he can answer the very simple question I asked him. Is the subsidy to be included in the price the processor pays, and therefore kept by the processor, or is it to be added to the price paid by the processor? It is not a question of confusion in the minds of the opposition; it is a question of confusion in the minds of the people in the trade.

Mr. Whelan: Mr. Speaker, the whole formula that must be followed, if this is to be a success, is not that easy to recount in one answer to one little question. I can say this, Mr. Speaker: It will be a fair policy.

Mr. Fairweather: What is it? We do not know whether it is fair until we hear it.

Mr. Whelan: It will be in line with what some members of the opposition have been asking, that consumers should not have to pay more for beef, etc., and that the government should be participating in this kind of program. What it does mean is that the packers and the processors will be paying the price and they will be reimbursed for it.

Mr. Stanfield: Mr. Speaker, may I ask another supplementary question which is necessary in order to try to get rid of the existing confusion. I understand from the answer the minister gave me that the subsidy will in fact be paid to the processor and will not be added to the price paid to the producer by the processor. I wish to ask the minister a question about this subsidy which is to be paid to the processor, who may very well be buying cattle from jobbers, that is, cattle imported from the United States. Why is the minister subsidizing the possible importation of United States cattle with the Canadian taxpayers' money in this way?

● (1430)

Mr. Whelan: Mr. Speaker, the initial announcement clearly stated this is a subsidy on Canadian cattle for Canadian consumers. That means the meat must be consumed in Canada. Accurate records must be kept of all accounts, bills of sale and so on, so these can be checked by both their auditors and our auditors to ensure this is carried out in a proper manner.

Mr. Stanfield: What assurance can the minister give that all cattle bought by processors and on which a subsidy is paid will in fact be produced in Canada and not imported from the United States?

Mr. Whelan: Mr. Speaker, we know all the cattle—

Some hon. Members: Oh, oh!

Mr. Baker: Have you got them on the voters' list?

Mr. Turner (Ottawa-Carleton): The steers are conservative.

Mr. Whelan: Mr. Speaker, it may sound strange to say that you can tell an American animal from a Canadian one, but you can tell. Any good feeder or buyer can tell by looking at them.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Whelan: All cattle brought in from the United States on consignment are directed right to the packing firm. There would be no doubt as to the proper identification of American cattle or Canadian cattle.

Some hon. Members: Hear, hear!

SUBSIDY TO BEEF PRODUCERS—REQUEST FOR ESTABLISHMENT OF ADVISORY COMMITTEE TO ENSURE THAT PRODUCERS AND CONSUMERS BENEFIT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a supplementary question to the Minister of Agriculture. As the new policy is designed to benefit the consumer and the producer, will the minister consider setting up an advisory committee in the early stages of this plan, possibly with representatives from the National Farmers Union or other representative groups in agriculture, to ensure that the money goes to the producer and that the consumer gets the benefit?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think that is a worthy suggestion. It will be considered. But I can tell the hon. member that we have had meetings as late as 15 minutes ago with people who represent the farmers and beef producers of this nation. I understand my officials have been in consultation with the Consumers Association because of their concern that the benefit be passed on to consumers. This is a worthy suggestion and it will be considered.

SUBSIDY TO BEEF PRODUCERS—ISSUANCE OF INSTRUCTIONS TO TRADE ON ADMINISTRATION

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question is supplementary to my leader's question to the Minister of Agriculture and further to the minister's announcement last Friday of the seven cent subsidy. In view of the extreme confusion and nearly disastrous conditions presently existing on the Toronto cattle market

where very heavy deliveries have already been made today although the market had not opened up to 15 minutes ago, and in view of the same confusion in cattle markets all across Canada together with the very real prospect of an immediate beef cattle market drop, will the minister now clearly indicate whether his department has issued working instructions to the trade on how the subsidy is actually to be administered so that markets all across Canada can open for business today?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if it has not been done at this time, it will be done shortly. They were certainly forewarned on Friday that this plan was going into effect. That is why it was announced on Friday. With the consent of the House, we made the announcement so that the trade would be prepared for it today. There may be some nitty-gritties to try to work out, difficulties in regard to technicalities, but I am sure that once the program is understood by all concerned it will work to the benefit of the beef industry.

Mr. Speaker: Order, please. I see at least three or four members seeking supplementaries on this subject. The Chair will recognize the hon. member for Medicine Hat and then try to complete the first round of questions. I will then return to all hon. members who have supplementaries on this very important matter. The hon. member for Medicine Hat will be recognized for one supplementary for the moment.

Mr. Hargrave: Further to the minister's comment on the possibility of American cattle coming into Canada, will he indicate the procedure of payment? Will the minister explain how he intends to prevent heavy feeder cattle imports from the United States benefiting from this subsidy? I ask this very practical question notwithstanding your comment on this on Friday and just now.

Mr. Speaker: Order, please. The hon. member has asked a question. I do not think it is in order to explain why he asked the question. Perhaps the minister might be allowed to reply.

Mr. Whelan: All I can say, Mr. Speaker, is that we know American and Canadian prices did not vary very much on Friday. There was not that much difference. It would not have paid anyone to bring in any kind of cattle from the United States at that time. The cattle in the Toronto yards today are cattle bought last Thursday and Friday and shipped in. We are hoping the market will be taken over by Canadian cattle and there will be no need to buy cattle from the United States. If there is an influx of cattle from the United States other than the normal good grade cattle we want from Canadian yards, we will have to take further action.

Mr. Speaker: I will return to the hon. member for Medicine Hat in a moment. I suggest to hon. members that in fairness we should try to complete the first round of questioning and then return to this matter.

TRADE

DEFICIT UNDER CANADA-UNITED STATES AUTO PACT—ACTION BY MINISTER TO OBTAIN GREATER INVESTMENT IN CANADIAN INDUSTRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Considering that the $356 million deficit in Canada-United States automotive trade for last year, the first since 1969, is undoubtedly related to the fact that 95 per cent of the investment in the industry was on the United States side of the border in each of the past two years, will the minister inform the House what he has done to obtain assurance that investment in the industry this year will ensure that Canada gets its fair share?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we do not regard these figures with any enthusiasm at all when they go into a deficit.

Some hon. Members: Oh, oh!

Mr. Gillespie: It should be equally clear that the United States does not regard the reverse with any enthusiasm. I would hope that with the operation of the agreement in the future, as in the past, we can expect swings around a neutral point. With regard to the specific question as to the effect of investment, he is correct that approximately 95 per cent or slightly more of the investment on a pro rata basis took place in the United States in the past few years. However, I do not think that was the reason for the heavy swing this past year. Based on the advice I have received, the reason was the unprecedented demand in Canada for North American made vehicles.

Mr. Broadbent: Since the demand for vehicles in itself cannot explain it, because one has to consider the components of the vehicles, whether they are Canadian or United States produced parts, and considering that there was a deficit in Canada in terms of automotive parts amounting to over $1 billion last year, would the minister assure the House that with reference to the parts sector the government intends to make representations at least to the automotive manufacturers, if not to the United States government itself, in an effort to ensure that a greater percentage of the parts that go into vehicles assembled in Canada are produced in this country?

● (1440)

Mr. Gillespie: If the hon. member would look at the report from Statistics Canada from which he quoted earlier he would see that parts production in Canada rose very substantially. Indeed, so did automobile production. Production and export from Canada last year were unprecedented.

Some hon. Members: Hear, hear!

Mr. Gillespie: As to the point the hon. member made with respect to investment, may I say I have made representations to the automobile manufacturers, both in the United States and in Canada, representations addressed to the senior officers of those corporations, with respect to the level of investment in this country and what

we would expect in future in terms of automobile investment.

* * *

[*Translation*]

HOUSING

SUBSIDIES FOR CONSTRUCTION OF SOCIAL CENTRES—POSITION OF GOVERNMENT

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the Minister of State for Urban Affairs.

Last November, the minister announced in a speech that the government intended to help the provinces and municipalities under the terms of the Housing Act and contribute up to 50 per cent of the construction costs of community centres such as sports centres. Could the minister say whether the government policy is definite or when it will be?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I am not sure my announcement indicated we would assist solely in the building of sports centres. The announcement related to the provisions of the neighbourhood improvement program. This is essentially a housing program although it is designed to enhance the whole of the neighbourhood affected, and certain essential neighbourhood facilities would be available. We have entered into agreements with most of the provinces with regard to the application of neighbourhood improvement schemes. Only last week I discussed the application of the program in the province of Quebec. I anticipate reaching agreement with the provincial minister very shortly.

* * *

AGRICULTURE

SUBSIDY TO BEEF PRODUCERS—POSITION OF FEEDERS—PREVENTION OF RUSHING OF CATTLE TO MARKET

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, I have a supplementary question for the Minister of Agriculture arising from the subsidy announcement made last Friday. There will be excessive runs of cattle to market as a result of which prices will undoubtedly be depressed to the point at which neither the producer nor the consumer will benefit from the subsidy. Would the minister consider assuring those who buy short-keep feeders that this plan will still be in operation when they return them to the market? Will the minister also extend the periods from April 6 and April 13 in respect of A-3 and A-4 steers so that the glut on the market in the next few weeks will not be so great?

Hon. E. F. Whelan (Minister of Agriculture): The dates April 13 and April 6 were chosen so that people would not be inclined to rush to the market, but we want enough cattle to supply the Canadian market. We have announced that this program will be kept in force until the beef market returns to normal. We are also working on a long-term program covering not only beef products but other red meat products. If we have a long-term agreement ready to put into force, and if agreement has been reached with the provinces in this regard, we shall put it into force; it will take over from this other plan, one which we realize is an emergency plan to meet the present situation.

Mr. Horner (Battleford-Kindersley): Surely the minister realizes there will be a tremendous run of cattle in the next short while and that it will far exceed the capacity of the market to accept. Those dates are far too early. It is rumoured this morning that the packer-buyers are going to ask $4 less per pound, which will take away the 7-cent—

Mr. Speaker: Order, please. The hon. member's supplementary is more debate than a question. I am sure hon. members would not wish to prolong this subject too long, although I see a number of members are still seeking to be recognized for supplementaries. It might be we could spend the whole 40 minutes on this one subject, but I am not sure that is what hon. members want. Perhaps I might recognize the hon. member for Medicine Hat who asked the first supplementary, I believe, and then I will recognize the hon. member for Halton.

SUBSIDY TO BEEF PRODUCERS—POSSIBLE APPLICATION TO IMPORTED FEEDER CATTLE

Mr. Bert Hargrave (Medicine Hat): Thank you, Mr. Speaker. I should like to return to the subject of my first supplementary on the possible importation of heavy feeder cattle, not killing cattle sent to the packing plants. Surely the minister is aware that it is possible for these cattle to enter the country, be held here for three or four weeks and then slaughtered, and their owners would be eligible for the subsidy. How will it be possible for the minister physically to identify these cattle?

Hon. E. F. Whelan (Minister of Agriculture): A lot of the cattle being fed and put on the market right now in southwestern Ontario did come from the United States as feeder cattle. I am sure the hon. member is aware of this. It is a custom which has been followed for years; feeder cattle imported from the United States are finished in Canada and are sold as Canadian cattle. I do not know how we would overcome this situation. At the present time there is no movement of feeder cattle into southwestern Ontario although such a movement could easily develop. I am not prepared to say what we would do in those circumstances, because I believe the hon. member for Medicine Hat has stated many times that he wants the North American market for cattle—

Mr. Speaker: Order, please.

* * *

TRADE

DEFICIT UNDER CANADA-UNITED STATES AUTO PACT—STEPS TO RENEGOTIATE SAFEGUARDS

Mr. Terry O'Connor (Halton): I have a supplementary for the Minister of Industry, Trade and Commerce relative to previous questions. In view of the significant deficit recorded in trade figures already announced and in view

of the increasing price gap evident from figures announced last week, would the minister tell us what specific steps he is prepared to take with his counterparts in the United States—not within the industry, which we recognize as being almost wholly owned in the United States—to renegotiate the safeguards in the auto pact, perhaps in the direction of establishing mutual safeguards which would protect both countries?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I should like to make it quite clear that I do not accept the figures the hon. member put on the record last week. I think I should make it quite clear to him, as he did not make clear to us, that he was using 1972 figures for the calendar year 1972 before we took our action. Second, he was using figures for a typical vehicle, not for a weighted average of all vehicles. If he looked at it from that point of view I think he would find that the statement I made and the statement he made do not bear any relationship with one another. Mine was correct. His was not.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I hope we shall not become involved in a debate or argument between the hon. member and the minister.

Mr. O'Connor: On a point of order, Mr. Speaker. I would point out that the figures I used in connection with the price gap widening were 1973 model figures, not 1972. They were clearly indicated in the report of the President of the United States to Congress, and I do not know how the minister justifies his interpretation.

Mr. Speaker: Order, please. I would say that both the minister and the hon. member are out of order when they debate who is right and who is not. We should return to questions and answers. The hon. member may ask his supplementary.

Mr. O'Connor: Mr. Speaker, the minister effectively raised a smokescreen by debating the figures I gave last week. I ask him now to answer the question I put to him a few moments ago.

Mr. Gillespie: I hope the hon. member will take a look at the difference between a 1973 model and the 1972 year. I should like to make it clear to him and to the House, as I have in the past—

Mr. Speaker: Order, please. The hon. member rose on a point of order, and after making that point of order he asked the same question he had earlier. He was not satisfied with the minister's first reply—

An hon. Member: There was no reply.

Mr. Speaker: Order, please. I suggest we go on to the next question.

Oral Questions

LABOUR RELATIONS

STRIKE BY SEAFARERS' UNION—ACTION TO SETTLE—REQUEST FOR LEGISLATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Labour. It has to do with a very serious situation in that a couple of hundred dock workers, members of the Seafarers' International Union, are already on strike. The threat has been made that the rest of the 3,750 members will not show up on fitting day which, as it happens, is April 1. I ask the minister what is being done to settle this strike, because, if it goes ahead, it will be a knock-out for the western producer of wheat and other grain for export.

● (1450)

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I fully realize, as does the government, how serious this situation could become, especially if the strike carried on after April 1, the normal opening of the shipping season. Experienced and knowledgeable mediators with the Department of Labour have been meeting with the parties, union and management. The last report we have is that the positions are quite clear. They are still apart, but the mediators and all the facilities of my department, including any efforts that I can make, are available to the parties in the hope that this dispute can be resolved. I feel there is still sufficient time to permit a settlement before serious damage can be done.

While I am on my feet, Mr. Speaker, perhaps the right hon. gentleman—

Some hon. Members: Order!

Mr. Munro (Hamilton East): Perhaps hon. members would let me mention—I am sure the House will be happy to know this—that the strike involving Air Canada was settled over the weekend.

Some hon. Members: Hear, hear!

An hon. Member: We read that in the newspapers.

Mr. Speaker: Perhaps the hon. minister would want to revert to motions for the purpose of making a statement.

Mr. Diefenbaker: Mr. Speaker, I asked about one thing and the answer is about another. I now ask the minister whether the government, in view of the fact that negotiations under the federal negotiator or mediator have virtually broken down, will bring this matter before parliament before April 1, unless a settlement is arrived at, in order that action may be taken so that this strike will not continue, or will the government follow the alternative of getting in touch with that Liberal protegé, Banks, who was always able to settle strikes?

Some hon. Members: Order!

Mr. Diefenbaker: He was the best mediator of all until he became a refugee from justice.

Mr. Munro (Hamilton East): Mr. Speaker, I think it has been the history of labour negotiations at the national level that it has never paid to deny the right to strike to

employees to whom parliament has given the right to strike.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Regardless of the national interest?

Mr. Munro (Hamilton East): I would also indicate that the right hon. gentleman must be well aware of the position of his own party, as I understand it, which is not to deny the right to strike to employees.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, that was not an answer and I rise to ask a supplementary question.

Some hon. Members: Order!

Mr. Speaker: Order, please. I will recognize the right hon. gentleman but he should give me the opportunity to do so.

Mr. Diefenbaker: I will now ask the question once more, Mr. Speaker. In view of the minister's loud protestations all over the country recently in respect of his new ideas on labour relations, will he assure the people of Canada and in particular the farmers that this strike is not going to go on, thus avoiding a further knock-out blow to the western farmers?

Mr. Munro (Hamilton East): Mr. Speaker, it is my belief that the farmers fully realize how oversimplified the hon. gentleman's remarks can be.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): They realize that a denial of the right to strike to workers does not ensure a resumption of work.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: That is an asinine attempt at an answer.

* * *

REGIONAL ECONOMIC EXPANSION

REASON FOR EXCLUSION OF YUKON AND NORTHWEST TERRITORIES FROM GRANTS AND LOANS

Mr. Wally Firth (Northwest Territories): Mr. Speaker, in the absence of the Minister of Regional Economic Expansion I should like to direct my question to the Minister of Indian Affairs and Northern Development in his capacity as the minister for northern development. Will he explain to this House why residents of the Yukon and Northwest Territories have been excluded from the right to apply for DREE grants and loans?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the problem is now under study by my department and that of Regional Economic Expansion. As soon as we have an announcement to make, I shall be pleased to make it to the House.

[*English*]

Mr. Erik Nielsen (Yukon): I have a supplementary question, Mr. Speaker.

Some hon. Members: Oh, oh!

An hon. Member: Get a load of the new image.

Mr. Nielsen: Mr. Speaker, I see the Minister of National Health and Welfare smiling, at least I have some hair on top.

Some hon. Members: Hear, hear!

An hon. Member: You have some on top, but nothing inside.

Mr. Nielsen: I have a supplementary question for the Minister of Indian Affairs and Northern Development. Was his special assistant, Paul White, expressing government policy when he announced in Whitehorse—

Some hon. Members: Order!

Mr. Speaker: Order, please. I am sure the hon. member can ask the question directly. I would hope the hon. member knows what the practice is—I am not sure about the rules—in respect of questions respecting statements made outside the House. If questions are asked about statements made outside the House by officials, including special assistants, we will get into difficulty. I am sure the hon. member can ask the question directly.

Mr. Nielsen: Forgetting the first part of the question, Mr. Speaker, which is already on the record, was the statement made an expression of government policy to the effect that DREE was going to apply and did apply to the two northern territories?

Mr. Chrétien: Mr. Speaker, I think it is well known that the government is studying the problem, but it is good to have the views of Yukoners representing both parties.

Mr. Stanfield: What about the third party?

Mr. Nielsen: That does not answer the question.

* * *

[*Translation*]

SPORTS

POSSIBILITY OF FURTHER CANADA-RUSSIA HOCKEY GAMES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare.

In view of the great interest generated by the Canada-USSR hockey series and the honour which fell upon us, may I ask the minister if he can tell the House whether he is willing to recommend another event of this kind, and if so, whether he will soon make a statement to that effect?

Mr. Speaker: I am under the impression that the first part of the hon. member's question could easily be placed on the order paper. If the hon. member simply asks the minister if he intends to make a statement on motions, the minister could answer that part of the question, after which we will move on to the next question.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we have been approached by Soviet representatives. If it is in the interest of Canada to hold such a series, I am sure that the members of the House will share my enthusiasm for such a project, provided all Canadian players, no matter which league they belong to, can take part. I have therefore instructed Hockey Canada to invite Canadian interested parties to consider the situation.

* * *

[*English*]

INCOME TAX

OFFERING BY WINNIPEG FIRM OF IMMEDIATE REBATES BUT IN LOWER AMOUNTS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Revenue. Is he aware of the practice in Winnipeg where a firm offers immediate rebates on income tax returns but at an amount lower than what the Department of National Revenue would return as a particular rebate? If so, what steps will the minister take to ensure that Canadians will receive tax refunds as quickly as possible to avoid having to turn to these practitioners of usury?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I deplore the practice the hon. member mentions. I think both the provincial and federal governments should be examining ways to avoid people being victimized by such operators. On the other hand, people are free in this country to raise money on the expectation of funds or assets coming to them. It is a difficult question. The government of Manitoba could take some steps, as hon. members know, and I have some ideas as to what the federal government might do. The province of Quebec has taken a step which has been quite effective in that province. It is not only federal action which might be effective in this regard.

● (1500)

Mr. McKenzie: It is alleged that they keep between 40 per cent and 70 per cent of the rebate as a charge for providing ready cash. I believe the government should be preparing measures in co-operation with the provinces to eliminate or control this practice.

Mr. Speaker: Order, please. Perhaps the minister might comment.

Mr. Stanbury: Mr. Speaker, I think the hon. member was implying, and if so I agree with him completely, that one thing we can do is try to speed up as much as possible the process of getting refunds out to the taxpayers. This year those refunds are going out three times as fast as they did last year. I think that is a way in which we can help to discourage that kind of activity.

Mr. Speaker: Order, please. I remind hon. members that we are running short of time. I see some 25 or 30 members rising. There are less than five minutes before the end of the question period. I would hope we could limit the number of supplementaries. The hon. member for Cape Breton-East Richmond has a supplementary and will be recognized.

ALLEGED ERRONEOUS ISSUANCE OF T4 SLIP BY SYDNEY STEEL CORPORATION—REQUEST FOR INVESTIGATION

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a brief supplementary for the Minister of National Revenue. Will the minister undertake to investigate how the Sydney Steel Corporation can send out a T4 slip to somebody who was never employed by the steel company and call themselves the employer?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I will be very pleased to, Mr. Speaker.

* * *

TRANSPORT

PRINCE EDWARD ISLAND—REQUEST FOR DELAY IN IMPLEMENTATION OF COMPULSORY PILOTAGE PROPOSAL

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is he in a position to give a favourable reply to the request of the government of Prince Edward Island that the proposal to impose compulsory pilotage at the four main ports of that province will not be done at least until such time as the representations of the government of Prince Edward Island have been sympathetically considered?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am in the very unenviable position of having to state that the four regulations concerning the Atlantic, the Laurentians, the Great Lakes and the Pacific are still on my desk. I have not yet been able to approve them because of the objections which were made on this subject. Among those who have objected is the Prince Edward Island premier.

* * *

[*English*]

INCOME TAX

SUPPLYING OF NAMES AND ADDRESSES ON TAX RETURNS FOR COMMERCIAL PURPOSES—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of National Revenue. When names and addresses from income tax returns are supplied to government agencies for the purposes of those agencies are there restrictions, undertakings or agreements that those mailing lists are not to be re-released for private commercial purposes?

Oral Questions

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the Department of National Revenue exchanges information with other departments in accordance with a particular section of the Income Tax Act. I believe there is a section in the Statistics Act and sections in the Canada Pension Plan and other legislation. I would have to know the particular case the hon. member has in mind, but if he will look at those sections of the acts he will see the limitations that are placed on the use of that information.

* * *

STATISTICS CANADA

SUPPLYING OF MAILING LISTS FOR COMMERCIAL PURPOSES—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, may I ask a supplementary of the Minister of Industry, Trade and Commerce. Can the minister confirm whether it is government policy that enables Statistics Canada, for instance, to release confidential mailing lists, which were supplied originally by the Income Tax Department, to private business which then uses those lists to send out advertising and junk mail circulars?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the agency, Statistics Canada, operates under the Statistics Act. It does not receive direction from me or the government concerning its policies. It is governed by the act itself. As to the particular practice the hon. member has raised, I believe the agency has in the past engaged in such commercial services. I have made inquiries and have found out that this is a perfectly legal practice under the act. I have reviewed the situation with them have asked them to reconsider the practice, and they have undertaken to do so.

Mr. Speaker: Order, please. We have reached the end of the question period. If the hon. member asks a second supplementary that will have to be the end of the question period.

Mr. Lawrence: Mr. Speaker, obviously other people share the minister's doubts. Will the minister, therefore, if he has conducted an inquiry into this matter through his department, please table the results of that investigation for us or, if he has not conducted an inquiry, will he please do so?

Mr. Gillespie: Mr. Speaker, I would be pleased at some later date to indicate to the House, after the matter is fully considered, what the decision of Statistics Canada is.

Mr. Speaker: Order, please. I brought to the attention of hon. members a moment ago that we have gone beyond the time allotted for the question period. The hon. member for Hastings has a supplementary and will be recognized, after which I will have to call orders of the day.

[Mr. Lawrence.]

ALLEGED ERROR IN REPORTING UNEMPLOYMENT INSURANCE DEFICIT

Mr. J. R. Ellis (Hastings): Mr. Speaker, my supplementary question is directed to the Minister of Industry, Trade and Commerce who reports for Statistics Canada. In one of their bulletins they report that the annual deficit for unemployment insurance last year was slightly over $2 million. I want to know whether there is a mistake there or whether the government does not know the difference between $1 million and $1 billion?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would be very pleased to discuss this question with the hon. member and draw it to the attention of the agency.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

YUKON, NORTHWEST TERRITORIES AND CANADA ELECTIONS ACTS

AMENDMENTS RESPECTING COUNCILS AND ELECTORAL BOUNDARIES

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) moved that Bill C-9, to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development:

He said: Mr. Speaker, this is the second time I have had the pleasure of bringing a proposal before this House to amend the Yukon and Northwest Territories Acts and to give the people of the Yukon and Northwest Territories more control of government there. In 1970, you will recall, this House approved measures to increase the lifespan of territorial councils to four years, to enable the councils to prescribe the qualifications of voters and candidates in the territorial elections and establish their own indemnities, and to give the territorial governments authority over the administration of justice. This House also increased the size of the Northwest Territories Council to 14, and reduced the number of appointed members from five to four.

These measures represented an important advance in the constitutional growth of the territorial governments. Only four years have passed since we approved these changes—a very short time when you consider the historical evolution of government in Canada. But these have been years of unprecedented development in the north, of economic growth and social advance. Let me take a moment to give you some examples: the rate of population growth in the territories is about twice the national average; the Yukon population is estimated at 21,000 and the Northwest Territories at 39,000. The gross product for both territories, an indication roughly equivalent to the national gross national product, stands at approximately $275

million, close to 50 per cent more than the corresponding figure for 1970. The value of loans to northern businesses under the Small Business Loan Funds has increased from $375,000 in 1970-71 to over $800,000 in 1972-73.

● (1510)

Mineral production in the territories rose from $211 million in 1970 to an estimated $316 million last year. The number of tourists visiting both territories has increased from 80,000 to 300,000 in the past ten years. Oil and gas exploration expenditures rose from $122 million in 1970 to an estimated $250 million last year. The wholesale value of eskimo arts and crafts is estimated at over $3 million for 1973.

This record of economic growth is impressive, but so are the advances that have been made in regard to social improvements in the territories. One measure of this is the growth in the provision of government services. For example in 1970-71 the government of the Northwest Territories had a budget of about $72 million. In 1973-74, the budget had increased to more than $120 million. In the Yukon, a similar comparison shows a budget of about $25 million in 1970-71, which increased to more than $49 million in 1973-74.

These figures reflect real progress in social development over the last four years. For example, a northern rental housing program for Indians and Eskimos of the NWT expanded by 350 housing units, and low income housing in both territories increased by 875 units; significant growth in the number of employment opportunities for native people in the government service on such projects as the Higher North Program for clearing the right of way for the Mackenzie highway, in private industry, in mining and oil and gas exploration activities, and in training programs for teacher's aids, dental assistants, and interpreters in native languages; construction of some 300 miles of new roads at a cost of $63 million since 1970; the construction of four remote airstrips, 14 resource airstrips, and numerous emergency airstrips; the creation of 11 new municipalities, including one city, two towns and eight hamlets in the Northwest Territories, and the expansion of the city of Whitehorse to a community of more than 11,000 people. These figures on government expenditures of course also relate to the provision of basic services, such as municipal infra structure, to the growth and expansion of educational services, and to social assistance and community development.

All of this gives you some idea of the scope of change that has taken place in the territories in the past four years. It strongly reinforces the case for the introduction of further steps toward the assumption of greater responsibilities by the people of both territories. The case for giving the people of the territories more control over their affairs is also strengthened by our experience with operation of the changes which this House approved four years ago and with the arrangement we introduced then to give the elected representatives a voice on the executive side of government.

As you know, I undertook to have elected councillors in the Yukon participate directly in the administration of the territorial government. I arranged with the commissioner of the Yukon to establish an executive committee to advise him in his duties and, on the recommendation of the whole legislative council, to appoint two elected councillors to serve full time and for each to assume responsibility for the direction of one or more departments of territorial government.

In my view, this joining of the executive and legislative sides of territorial government has worked well. The legislative council has responded positively to this initiative and the elected executive committee members have done an admirable job of discharging their important responsibilities. The commissioner has routinely sought the advice of the executive committee on all major matters under his administration.

The changes I am proposing today to the Yukon and Northwest Territories Act are intended to build upon this tradition; to fulfill my government's commitment to provide for the further evolution of self-government in the territories and to meet the needs of the people of the territories for more control over their affairs, to have more say in the decisions that affect them. I should mention that I have discussed these proposals in the past two months in Yellowknife and Whitehorse with members of both territorial councils. We have had a free exchange of views, and their ideas have been a great help to me in formulating these proposals.

Let me deal with the changes that affect the Yukon Act first. This bill proposes a substantial expansion in the membership of the Yukon Council from the present seven to a total of 12 elected members. This measure is designed to reflect the increased population of the Yukon and its geographical diversity. This expansion of council is strongly recommended by both the commissioner and the present Yukon Council. The most recent council asked for a substantial increase in council membership and the appointment of a third councillor to the executive committee.

It is my intention to complement the larger council by increasing the number of elected councillors on the executive committee from two to three. Under such an arrangement the commissioner would remain chairman, but during the life of the next council it may be desirable to reduce the number of appointed members of the executive committee, and I will consult the council about this. Any reduction in the number of appointed members on the executive committee would leave the elected members in a majority position.

The bill also provides for increases or decreases in the size of the council in line with future changes in the Yukon's population. This is a new approach and I believe an important provision, especially since significant population fluctuations may occur as a result of changes in the largely resource based territorial economy.

The other proposed amendments to the Yukon Act are designed to clarify existing provisions or practices. They have no policy implications and are adequately described in the bill.

The changes I am proposing to the Northwest Territories Act are necessarily different from those to the Yukon Act. As you know, the Yukon Territory has had a fully elected legislative council since the turn of the century. The most important change to the Northwest Terri-

tories Act is to establish a fully elected territorial council by replacing the four appointed members with four elected members. It is also proposed to increase the size of the council to 15 members, all elected. The council has advised me that this will ensure balanced representation in the territories. The appointed members of the Northwest Territories Council have, over the years, contributed greatly of their time and experience to the work of the council, and we are grateful to them. However, the course of northern development which I have already described persuades me that there are capable northern residents now who can and should represent the people of the north in the operation of their government.

[*Translation*]

Mr. Speaker, in accordance with the institution of a fully elective board, I suggest that one of the members act as chairman and that he sit in the chair instead of the commissioner during the sittings of the council.

The present provisions have met a practical need, but it now seems more appropriate to adopt the practice used in other legislative bodies which follow the British parliamentary tradition.

For similar reasons, we must redefine the quorum of the Council for voting purposes. Moreover, I intend increasing further the authority of the Territorial Council by agreeing with the Northwest Territories Commissioner that two elected members of the council be appointed to the Territorial Executive Council.

Each member of the executive council will be responsible for managing one or more departments of the territorial government. Hon. members will note that we do not plan to interfere with the freedom of that important executive committee through rigid legislative measures. On the contrary, we want it to grow and mature within the unwritten constitution of the Territories much as the cabinet and political parties developed in England, and the legislative bodies, federal and provincial, did in Canada. The BNA Act does not allude to the cabinet; similarly, the executive committees of the two Territories are not mentioned in the Yukon Act or the Northwest Territories Act.

As we know, Mr. Speaker, tradition and usage are as important as written law in the formulation of efficient government practices.

Mr. Speaker, the other amendments proposed are the logical result of the institution of a council that is elected exclusively; they are necessary to clarify some present provisions of the act, but they do not alter its purpose. Those amendments are explained in the bill.

I want to underline the fact that basically those amendments are an important step in the progress of the evolution of the governments of the Territories, and that this new step corresponds to the wishes of the councillors. To my mind, those amendments go much further than most would think in the process of handing to the peoples of the Territories control of their administration.

For instance, the councils have as much power and latitude in the study of their estimates as any legislative body in Canada, and its members have similar power to those of the provincial members to influence the orientation of the planned expenditures or to change them. Indeed the two constituent statutes of the Territories provide that the Commissioner must administer the Territories according to the instructions given if necessary by the Governor in Council or myself which is, in my opinion, advisable at that stage of the constitutional development of the Territories; however, that discretionary power is very seldom used.

● (1520)

In fact, Mr. Speaker, during my last visit in the Yukon, some advisers took me to task for not intervening often enough in the administration of the affairs of the Yukon and I answered that I would rather follow the present system than interfering as I saw fit, unless a serious situation would require an intervention of the federal government.

In Yukon, the two advisers who are members of the executive committee play a very important role, not only in reviewing estimates but also in explaining them to their council colleagues. As I already stated, it is understood that the Northwest Territories will have a similar system which will provide the elected members and through them, the people of the Territories, a greater control over their administration and a more realistic participation in their financial affairs.

Some advisers questioned the relevance of the provisions concerning the appropriation of public funds contained both in the Yukon Act and the Northwest Territories Act. Here is this provision:

> It is not lawful for the Council to adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue of the Territories, or of any tax or impost, to any purpose that has not been first recommended to the Council by message of the Commissioner in the session in which such vote, resolution, address or bill is proposed.

Mr. Speaker, hon. members are aware that this principle is expressed in almost identical terms in the British North America Act. This principle applies to both Parliament and provincial legislative assemblies.

[*English*]

I have consistently tried to ensure that the Territorial Councils have as much authority and autonomy as possible. I believe both councils have considerably more power than they are given credit for, and I believe that these amendments significantly increase their responsibilities.

In conclusion, I want to say I am hopeful that the increases in the number of elected members will encourage more native people to seek to participate in the government of the territories. The evolution of territorial government is taking place in the context of important developments in the affairs of native northerners. We have seen remarkable growth in the native associations, and in the capabilities of their leaders. Currently, we are dealing with the difficult problems of native land claims. I hope these amendments will encourage the native people and all northerners to take an active role in territorial affairs. In this connection I should mention Bill C-11, which my colleague, the President of the Privy Council (Mr. MacEachen), introduced. It proposes to amend the British North America Act to provide for one senator for each territory.

These are exciting times in Canada's north, with great potential for both economic development and social

improvement. Canadians across the land are increasingly aware of this potential, of the north's importance for Canada's future energy supplies, of the need to protect the northern environment, and of the cultural aspirations of the native people. This national interest in the north is healthy and encouraging. But more important yet is the interest of all northerners in their own affairs.

The bill which is now before the House, Mr. Speaker, is introduced in recognition of the aspirations of the populations of both northern territories for further steps in the evolution of self-government. We are building on the progress which this House legislated a short four years ago. As the population of each territory grows, and as the economy of each territory strengthens, I am confident that further steps will be necessary. I hope that the members of the House will agree that the substantial constitutional advances proposed in this bill are necessary and are worthy of the support of the House.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, while listening to the minister's opening remarks I thought he was going to treat us to a reading of the annual report. His recital of the recent growth in the industrial and social sectors of the north mystified me because, in spite of his recognition, that development surely merits a much more substantial bill than the one which we have before us today.

We in this party are glad to see the measures in Bill C-9 finally brought before the House, even though it took the government a long time to get around to these few faltering steps toward more autonomy for the northern territories. Within a month after this 29th parliament first sat, now well over a year ago, the hon. member for Yukon (Mr. Nielsen) pointed out to the minister the necessity for a prompt revision of the Yukon Act and the Northwest Territories Act if the changes which are envisaged in Bill C-9 were to be in effect for the territorial council elections scheduled for 1974. That plea fell on unreceptive ears for well over a year, and now we approach the election deadline, making allowance for the six months which the Chief Electoral Officer must have to make the necessary boundary changes and other revisions.

With this deadline upon us we belatedly have Bill C-9 introduced. Because of these limitations in time we will be supporting the amendments in principle. We know they must be enacted speedily, if they are to take effect for the forthcoming elections, and we want to see them implemented as far in advance of that event as is possible. That is not to say, however, that we will not endeavour to have Bill C-9 amended and strengthened at committee stage, but we are cognizant of the deadline situation in which the minister has placed this House and the people of the north by his procrastination which leaves us no choice but to accept the major provisions of this bill.

● (1530)

I hope the minister is equally ardent in his wish for speedy passage of Bill C-6 regarding the national parks and that he will work with the President of the Privy Council (Mr. MacEachen) to have that bill reintroduced at report stage at the earliest possible date. We have given our assurance on a number of occasions that we would welcome the speedy completion of deliberation on the parks bill. We want to see the new parks formally established, and I would encourage the minister to have that bill brought forward immediately and passed. Certainly, that is the wish of members in this party.

Having said that we will support the provisions of Bill C-9, an act to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act, in principle, I wish to make it very clear to the minister that we are in no way satisfied with this simplistic piece of legislation which he has laboured so long and hard to produce. Speaking in the throne speech debate, I emphasized that this party would look for something more than mere thinkering with the political structures in the Territories when the amendments to the Yukon Act and the Northwest Territories Act were introduced.

The concession before us to allow for a fully elected council in the Northwest Territories is important. The addition of five members to the Yukon Council will provide more adequate representation, but surely the minister is not trying to make us believe that by merely playing a numbers game he is removing the stigma of colonialism which permeates the north. Numbers of elected representatives can fluctuate, appointed councillors can come and go, but until real authority, fiscal authority, is handed over to the elected councils, parliamentary democracy in the north remains a sham and a facade.

Mr. Nielsen: Hear, hear! Amen!

Miss MacDonald (Kingston and the Islands): Mr. Speaker, basic to parliamentary democracy is the right of elected representatives to influence decisions regarding expenditure of public moneys. Where that right does not exist, democracy does not exist. Our parliamentary traditions are based upon British democratic practice going back for hundreds of years to Magna Carta. These practices and rights were demanded by the 13 colonies which later formed the United States. We still deny these practices and rights to our northern territories. The minister skirted around this situation this afternoon. He has toyed with it, but he has not committed himself to the objective of fiscal responsibility for the Northwest Territories. He has in no way dealt with section 24 of the Yukon Act or section 21 of the Northwest Territories Act, sections which deny rights, privileges and fiscal responsibility to the Yukon and the Northwest Territories. These sections state in part that it is not lawful for the council to adopt, pass or vote upon a resolution, address or bill for the appropriation of any part of the public revenues to the territories that has not been first recommended to the council by message of the commissioner—in other words, of the government of Canada. The budgets of the territorial councils are determined by an interdepartmental committee in Ottawa, not by the people of the north through their elected council representatives.

Mr. Speaker, I would advise the minister that at committee stage it will be our intention to present amendments which would have the effect of eliminating these sections from the Yukon and Northwest Territories Acts. I state that intention, Mr. Speaker, not knowing at this point whether such a motion will be considered in order. But if these sections were to be removed, the elected representatives on the territorial councils could then be

given the fiscal authority to legislate in those areas which are already administered by the territorial civil services, local government, social development, economic development, education, administration and so on.

The minister has described the amendments in this bill as important steps along the road to greater responsibility for both councils.

Mr. Nielsen: Hear, hear!

Miss MacDonald (Kingston and the Islands): But really meaningful responsibility, Mr. Speaker? Not without fiscal responsibility. Can we really expect Canadian citizens north of 60 to be satisfied with anything else, that is anything less than fiscal responsibility? The minister said this afternoon that he consulted with both councils and, obviously, the bill we have before us today is his interpretation of what the councils want. But I cannot believe his interpretation of the wishes of the councils, if this bill is an indication of it; I cannot believe his interpretation is correct, or legitimate or perceptive.

Recently the Standing Committee on Indian Affairs and Northern Development was in the Yukon and heard a very eloquent and convincing presentation on this very subject made by a member of the council on behalf of the entire council. He said:

> We are, quite simply, Mr. Chairman, sick and tired of living under a stultifying and suffocating colonial blanket. We demand the right to live and raise our families under laws that Yukoners make for Yukoners.
>
> We demand the right to say how the tax dollar, which we contribute to on a greater level per capita than any other Canadian, will be spent in the Yukon. We refuse to let the government of Canada, through its bureaucracy, make those decisions that the people of the Yukon must suffer under. We demand the right of Yukoners to make our own mistakes.

The councillor was not asking for full provincial status, Mr. Speaker, and he made that point quite clear, but he was asking for the right of the councils to more responsibility so that they could prove to the rest of Canada their capability to handle provincial status when that time arrives. He went on to say:

> So what we are saying is that in essence we would have all the legislative and administrative prerogatives, if those resolutions were followed—

And he was referring to certain resolutions passed by the Yukon Council.

> —that would make us in essence the same, analogous to a provincial legislature, without the immediate control of natural resources, the reason being that we think we have to prove to the people of Canada and to the government of Canada that we are as capable of dealing with the resources of the province as any other area in Canada.

Not only did the committee accept the presentation of the council, but individual members in the committee spoke strongly in favour of it. Approval for that territorial view, one which is held by members of the Yukon Council and the Northwest Territories Council alike, approval was very succinctly expressed by the hon. member for Sherbrooke (Mr. Pelletier), who said:

> Well you can be sure that you have at least one person in Quebec who would subscribe to your idea.

I know we in this party will look forward to the support of the member for Sherbrooke when we move amendments which will make his expressed support possible.

[Miss MacDonald (Kingston and the Islands).]

In this bill the minister has repealed section 46 of both acts dealing with lands for the purpose of deleting the word "territory or territories" as the entity to which administration and financial use of lands were formerly transferred and substituting, therefore, the word "commissioner". In other words the minister has taken away certain powers from what, under this section, had been an inoperative entity and handed them over to the commission, that is, to the minister's representative in the territories. I find this most difficult to comprehend. If the minister is really serious about providing, as he states, "important steps along the road to greater responsibility to both councils," why did he not delegate this responsibility to the commissioner in council, that is, to the elected representatives of the people. He has delegated more ultimate authority to himself, rather than to the people of the north. I hope that at committee stage this section can be amended so that the intent of the minister's statement for greater responsibility can be given effect, for we want to see action rather than empty rhetoric.

● (1540)

Finally, Mr. Speaker, the minister indicated today that he will take measures to strengthen the executive committee of the Yukon and to establish an executive committee in the Northwest Territories. The hon. member for Yukon pointed out to the minister well in advance of the setting up of the executive committee in the Yukon that such a committee would be an unworkable vehicle. Unfortunately, his predictions proved to be only too true. I know the hon. member for Yukon will wish to comment on this himself. Let me say this to the minister: The people of the Northwest Territories, having been exposed to the track record of the executive committee in the Yukon, want no part of any such political structure. They see it as divisive and ineffective, and I urge the minister to reconsider whatever action he proposes to take in this regard.

All the people north of 60 degrees are Canadian citizens, Mr. Speaker, not colonials. It is time Ottawa recognized that fact. The minister is fond of saying that he does not wish to be paternalistic. He has said so many times in this House. Let him prove his words by cutting out Ottawa's paternal attitude to our northern territories. The government in Ottawa stands accused by northerners of impeding progress rather than encouraging it. There are indicators of political progress in the north, such as the building up of a head of steam which can lead the people concerned to gain control over their own affairs, if this government will but recognize the fact and search for means as to how best to implement it. I hope that in committee the minister will be receptive to such innovative and progressive measures as we shall propose, measures which, I am sure, more adequately reflect the tone, temper and times of the north.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, the bill before the House, the bill to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act, is an important bill and one in which I, certainly, as well as the people of the Northwest Territories are most interested. I am referring, of course, to Bill C-9. This bill I support. I support this bit of legislation, although it is only a small step forward to the political development of the Northwest Territories, the largest federal constituency in

Canada stretching from James Bay in the south to the North Pole, and from the Richardson Mountains in the west to Cape Chidley in the east, near Port Burwell. It encompasses 1,350,000 square miles.

While the election of the territorial council and the provision whereby the council will select a Speaker can be considered as a small gain, the fact that the commissioner of the Northwest Territories is still all-powerful and that this bill does nothing to change that remains one of the major problems in this area. The provision for the formation of an executive committee is a step forward; having these elected members responsible for various government departments is basically a good and sound idea.

Although this measure will make for pretty good reading and will look good on paper, is it really a positive step forward? Is it not true that the real stress lies not with the fully elected council, but with the Commissioner of the Northwest Territories and the Minister of Indian Affairs and Northern Development (Mr. Chrétien)? That situation should be changed, and changed soon.

Where else in Canada does an appointed civil servant decide which departments elected representatives will control? Does an Ottawa civil servant, in particular a deputy minister, decide who shall become the minister of a department? I should hope not. Although the Commissioner of the Northwest Territories said that no departments have officially been declared as having been set aside for elected members to run, he did say, "To begin with they will probably get a couple of easy ones." Who is this appointed civil servant to make such condescending statements to the people of my constituency? Perhaps the Commissioner is afraid that the elected people may, just may, show up some of the shortcomings of his administration. So, they must be put in charge of less important departments.

In a statement to CBC Radio News two weeks ago, the Commissioner of the Northwest Territories said, in referring to the executive committee idea, "The whole objective here is to give them responsibility and give them the feeling that they are, in fact, running it." That shows a very, very bad attitude, I must say. One would assume from such a statement that although the elected representatives of the people of the Northwest Territories are given the feeling that they are running their government, they are still, in fact, not running it. That government will still be under the thumb of the Commissioner and the Minister of Indian Affairs and Northern Development. I suggest that there is a big difference between feeling that you are running a government and actually running it. Treat adults like children, and they will act like children. It becomes very obvious that the colonial status of the Northwest Territories is to continue. That, as I have said publicly many times before, is not a healthy situation to be in, politically.

If we look at the idea of the executive committee, with department heads to be chosen from elected representatives, it would appear that all these department heads will be in a dangerous position. The elected people will be responsible to those who elected them, but the Commissioner and his staff will be in the position to undermine the elected representative, if they should so choose. For example, if the Commissioner and his staff decide they do not like a certain person in charge of a department, they could have that person removed by seeing to it that the department concerned does not produce to its full capability. That is not to say that this happens now. On the other hand, if that were to happen, the government could turn round and say, "We told you so," or, "This person cannot run the department." Then, what would happen? In the next election the representative would be out on his ear. This kind of situation simply is not good enough for the people of the Northwest Territories.

Where else in a democracy, Mr. Speaker, does a middle level appointed civil servant have absolute power over elected representatives of the people? Where else in the free world does the civil servant have the right to say to another group of people, "Thou shalt not drink; thou shalt not even buy liquor or beer." That is what the Commissioner of the Northwest Territories told the people of Pond Inlet just a few weeks ago. Where else in Canada does an appointed civil servant have his own private "Air Force One" standing by, ready to fly on short notice? Mr. Speaker, I often wonder how much that aircraft is costing the taxpayer. I also wonder if this is a legal operation. Where else in a democracy does a civil servant have the power to prorogue a parliamentary session, as happened last year at a territorial council sitting at Yellowknife? Mr. Speaker, there is simply too much power invested in one man when he is not a representative of the people; I repeat, not a representative of the people.

● (1550)

Some hon. Members: Hear, hear!

Mr. Firth: He is responsible for the people of the Northwest Territories in the worst possible paternalistic sense, but not responsible to the people. There is really no such thing, in the true sense of the word, as government of the Northwest Territories, with or without elected representatives, with or without a Speaker and with or without the executive. It is simply a colonial administration. I truly hope, Mr. Speaker, that the people of the Northwest Territories elected in the future will try to do something to change this situation, and change it soon. Also, I hope that hon. members of this House will do something to help make this change possible.

One solution to this problem that should be considered, and considered seriously, is to have an elected person replace the commissioner, something like the mayor and town council system. The head of the administration would then be answerable to the fully-elected body. This council would be answerable to the people and have the power to fire, if need be, the head of the administration. In this way, at least, the man at the top would be responsible to the people of the Northwest Territories.

Until the present position of commissioner comes under the influence of the electorate, the stigma of colonialism will continue. This does not mean that we are asking for, or are ready for, full provincial status, but it would be a big step forward in the development of self-government for the Northwest Territories. It would mean that the entire administration of the north would be responsible to the people they are supposed to serve. Through the elected body they could finally get rid of the title "commissioner" with its connotations of paternalism, colonialism and a

civil servant running our affairs for us. I think that situation has been going on for much too long.

I wish to point out that I believe these suggested changes would improve the situation. I hope that the new, fully elected council will act to implement some of these suggestions to help us move toward a more responsible and provincial type of government for the Northwest Territories.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I listened with interest to the hon. member for Northwest Territories (Mr. Firth). I did not hear him say he had the support of his party for the views he expressed concerning the development of government reforms in the Northwest Territories.

Mr. Lewis: He has.

Mr. Nielsen: I am glad to hear the leader of the New Democratic Party say that the member has that support. I am delighted to hear that.

Mr. Barnett: What about you?

Mr. Nielsen: The hon. member for Comox-Alberni (Mr. Barnett) does not have to ask about me. He has been sitting in this House long enough to hear me make appeal after appeal for governmental reform to be brought about. A motion for non-confidence was moved in this House three years ago, a time when the government had a majority. There was no problem about voting to keep the government in office in those days. The leader of this party, seconded by myself, moved a motion of non-confidence because the government had failed to take meaningful steps toward achieving responsible government for the area. The leader of the New Democratic Party and his followers, including the hon. member for Comox-Alberni, voted against that motion.

The hon. member for Northwest Territories was not here at that time. I am sorry he was not here. Had he been, I am sure he could have educated his colleagues and we would have moved somewhat faster toward the day when governmental reform is going to be completed in the north. I could not agree more with the remarks of the hon. member for Northwest Territories with regard to the executive committee, save in one respect. He, his constituents in the Northwest Territories and anyone who is eager to achieve meaningful reform there, are taking on a device that simply will not work. The experiment, the tinkering of the minister in the Yukon over the past three and a half years, has proved that in spades.

I think the hon. member for Northwest Territories has been in the Yukon often enough and steadily enough to know that that tinkering of the minister has caused strife and difficulty, not only with regard to the administration of our affairs in the Yukon, but in the setting back of the day when full responsible government will be accorded to the two northern territories.

At the time the minister introduced that concept in the Commons in 1970, I said it was unconstitutional. I still maintain that stand. The hon. member for Northwest Territories pointed out one or two details which go to the constitutionality of the course that is being followed by the government. One of those is the absolutely unacceptable and repugnant idea that there is anything responsible

[Mr. Firth.]

about a government where there is a bureaucratic majority sitting on what has been called in the past a mini-cabinet.

I say it is unconstitutional for more fundamental reasons than that. A proposal is being put forward by a minister for expansion of the executive committee in the Yukon and for the establishment of an executive committee in the Northwest Territories. The members of that committee are first going to be allowed what the minister is pleased to call certain responsibilities, but which really are not. Second, there must be monies paid to those members of the executive committee in that capacity from the public treasury. When any such changes are made, the legislation must be accompanied by a message from His Excellency. The minister again is going to smuggle into the governmental structure in both territories, not only an unacceptable concept, but an unconstitutional one. If the concept is valid at all, it can only be valid when it is comprised of wholly elected members in its entirety without civil servants sitting on the executive committee participating in the law making process.

The minister and the government have distorted the whole concept of the separation of the legislative and executive functions of government. The minister seems to be blind to the effect of what he is doing. He is either stubborn or blind because he thinks it is proper to join the executive and legislation functions. Surely, that is farthest from the basis upon which the concept was evolved. The whole idea, and I have thought this to be legitimate over the years, is that the legislative will be separate from the executive functions of government, as will be the judiciary. For the minister to not only endorse, but to present the idea that the legislative and executive functions should be joined is simply a distortion of the principle as it should be. Until this separation is brought about there will be no meaningful responsibility.

● (1600)

In the Yukon, up to the present the executive committee has consisted of the Commissioner and his two assistants, one of them a federal civil servant and one a territorial civil servant, sitting on the executive committee with two elected members, a total of five. At the time this odd concept was proposed, I said all the minister was doing was dividing the Council. Perhaps, because the heat was on, asking for reform. Perhaps that is what he intended to do—I am not saying he did. I could say that but I won't. He may have welcomed the idea because it certainly took the heat off. In any event, what he succeeded in doing was dividing a Council, which had been united during the previous successive nine years. Members of the Council of all political views were united on the one question of reform. So, two of the councillors were extracted; they were smuggled on to what became a bureaucratic executive-controlled committee, and the spirit of unity was broken. Immediately, there was that division of two-five.

Then, of course, there was a further divisive factor and that was the decision by the Yukon Liberal Party to run a partisan slate. No other party did that. This gave rise to a political difference on the question of government reform in addition to the difference which the minister had artificially created. Again, unity was destroyed. The minister has told us he has spoken to the members of council in

both the Northwest Territories and in the Yukon. So have I, and I believe I am expressing their view when I say that what we have before us is certainly not what the Council in the Yukon asked the minister to produce. They certainly welcome, as I do, the increase in numbers, but no amount of increase in numbers can solve the problem. If the minister, in his legislation today, were to introduce a measure to increase the number on the Council, not from seven to 12, but from seven to 100, or, indeed, to the whole of the population of the two territories, it would still not solve the problem.

As the hon. member for Kingston and the Islands (Miss MacDonald) has said, the heart of the whole matter lies in the inability of the elected members of the councils, the representatives of the people, to have any effective say whatsoever in the decision-making process or in the spending of their money. I am sure the minister would understand the situation if I put it in simple terms by saying that a town council or a municipal council has more power than that which resides in the councils of the two northern territories. Municipal councils are free to impose taxes upon property situated within municipal boundaries. Once this revenue has been raised they have full authority to spend that money.

What is the situation in the two northern territories? The minister says to them: This is the amount of money I want you to raise this year in order to meet budget commitments prepared by my officials. You are to impose these taxes upon yourselves, but you will not have anything to say as to the direction in which the funds will be spent, except to deny supply. This is the situation as it exists today.

Mr. Chrétien: Just as it does here.

Mr. Nielsen: We tried that, as did the council which was led by Frederick Haultain in Manitoba in 1879 when that District of Assiniboia became a part of the now greatly extended Province of Manitoba. They refused supply, with the result that government employees had to go out and chop wood in order to earn enough to survive. We tried to use this weapon, the only weapon we had in the Yukon, by denying supply on a vote concerning the administration of justice. We were told by the minister's predecessor—a Liberal government was in office—that if this vote was not passed the Council would get no other moneys, even if it wished to vote them. What kind of attitude is that, in terms of responsible government? The council in the Yukon and in the Northwest Territories is a rubber stamp, and this measure represents what the minister is pleased to called progress toward responsible government, to use the terms of the press release put out under his authority. The title was "Greater self-government for the Yukon and N.W.T.". The Minister knows that this is grossly misleading. All he has done has been to increase the numbers and play around in the territories with an experiment which has already failed in the Yukon.

It is true there have been significant changes in the Northwest Territories Act, changes which should have been made long ago. I refer, for instance, to the Commissioner sitting as Speaker of the Council. As was pointed out by the hon. member for Northwest Territories, this same Commissioner decided only last year that the elected representatives should be dismissed. He said: The Council is dissolved, and that's that. In other words, a government employee directly responsible to the minister possesses this exorbitant power over what is described by the minister as a representative form of government.

There is another reason why this creature, this executive committee, is unconstitutional. I would draw the attention of the minister to the sections of the Yukon Act which stipulate that the Governor-in-Council, in effect, the minister may appoint a Chief Executive Officer who shall administer the government of the territory under instructions given to him from time to time by the Governor in Council or the Minister. It is the same for the Northwest Territories. This is a mandatory obligation.

The minister is the person responsible for administering the government of the Yukon and of the Northwest Territories. The legislation gives him no power to delegate this authority, no power other than to appoint a Commissioner who will take instructions from him. It gives the minister no power to set up an executive committee for the purpose of further delegating this authority. This is a third constitutional argument in support of the proposition I advanced almost four years ago. If the minister thinks the concept of an executive council is a valid one, it should be built into the act.

Mr. Chrétien: There is no mention of the cabinet in any act.

Mr. Nielsen: All right, I was coming to that. What the minister has just said is precisely the manner in which the responsible form of government exists and functions in every province as well as at the federal level. It is the majority of elected representatives and their supporters who form the government. It is the leader of that majority who selects the cabinet. What is so wrong with extending the same kind of principle to the northern territories? That was impossible with five on the council as it was impossible with seven on the council, but when this legislation passes, there will be 12 on that council and the selection of wholly elected members to the executive council in the Northwest Territories could easily be made. What could be so wrong with carrying over the principle that now exists at the provincial and federal level, so that from these two councils a majority emerges. The leader of that majority then would be selected and would form the cabinet or executive committee of five wholly elected representatives? That is the way a democratic form of responsible government is supposed to operate as we know it, certainly in the free world.

• (1610)

Not only is the minister perpetuating a colonial system of government in the two territories by not going to the extent he should, but he is flying in the teeth of world policy, particularly in respect of all the emerging countries of the world. What he is saying to us in the Yukon, and what he is saying to our neighbours in the Northwest Territories is that we do not have the intelligence to look after our own affairs. He is saying that there are not men of ability, capacity and intelligence to govern themselves.

An hon. Member: How about women?

Mr. Nielsen: And women, yes. We have one woman on the council of the Yukon territory now, and I believe there is also one on the council of the Northwest Territories.

Miss MacDonald (Kingston and the Islands): Yes, there is.

Mr. Nielsen: Yes, there is one now I am informed by my colleague. My point is that there are people there who are capable of exercising the same kind of legislative function we exercise in this chamber. Indeed, there may be some who are better able to perform that function who live in the north. The minister is saying that he and the government of Canada know best; they are the great white fathers and therefore they are going to tell the people what is best for them because they really do not know themselves. He is saying, we have only lived there for a quarter of a century or so, so we cannot be expected to know what is best, but the people some 4,000 miles away are better able to decide what is best for the north. That is what the minister is saying.

I am glad to see that the hon. member for Sherbrooke (Mr. Pelletier) is in the chamber because I had the distinct pleasure of serving with him on the standing committee when that committee visited the Yukon territory last December. To my amazement, the hon. member for Sherbrooke was one of the most vociferous proponents for the immediate granting of fully responsible government to the Yukon, and he was applauded for taking that view. This bill will certainly face no difficulty on second reading, as I will be the last speaker from this side and the same restriction is being imposed through self-discipline in the New Democratic Party. We might even get second reading of this legislation by five o'clock. In any event, I do not expect to have any difficulty in listing that hon. member's support at this stage, but when it comes to amendments in the committee I will look forward to the same kind of vigorous support, and I hope that hon. member will try to get on the committee again.

Mr. Pelletier (Sherbrooke): I am.

Mr. Nielsen: The hon. member says he is a member of that committee, and I think we had better quickly record that fact. I am glad to know that and hope we can count on his support when we are discussing these amendments again.

Let me read from page 29:6 of the proceedings of that committee on December 12. At that time a motion had been put which adopted in detail all of the proposals put forward by the council of the Yukon territory, and I say in detail because they cover most of pages 29:5 and 29:6. Toward the end of the page we find these words:

> After debate on the said motion, the question being put, it was agreed to unanimously.

Apart from the hon. member for Kamloops-Cariboo (Mr. Marchand), who was called away on urgent parliamentary business, all the members of the committee were present, including seven members of the Liberal party supporting the government. I, therefore, look forward to that same kind of support. Incidentally, this proceeding was reported to the House before we rose for the recess last session, so it was a recommendation to the government. I know the minister has a very high regard for committee reports and listens to their suggestions very carefully.

Mr. Deputy Speaker: Order, please. I understand the hon. member for York West is rising on a question of privilege.

Mr. Fleming: Mr. Speaker, I, too, was away for personal reasons for about 25 minutes during which time that vote was taken. Just to clear the record, I wanted to indicate I was not there when unanimous approval was given. To the best of my knowledge, that was a vote taken on a Friday night.

Mr. Nielsen: Mr. Speaker, I thank the hon. member for York West for that explanation. I am sure had he been there he would have gone along with his colleagues. I am sure he is just as strong a proponent of the democratic form of government in our country as are all of us, and I am sure it is just as difficult for him to understand why the government does not go the whole way in this process. He heard the very appealing briefs by Yukoners for governmental reform when he was there, although the minister continues to disregard this, and he heard also those same people say they did not want provincial status now but want the changes to stop short of that, since surely in the fulness of time that will come about.

Let me quote for a moment from the words of the Prime Minister (Mr. Trudeau), because he, too, believes in this concept, or at least I am told that he does. I sometimes have my doubts, but his words certainly suggest this. Let me quote this excerpt from the opening speech of the Prime Minister at the constitutional conference held in Ottawa, the second meeting, on February 10, 1969, as follows:

> The federal government insists that a charter of human rights should be an integral part of the Constitution, because it believes that those rights are equally important for all Canadians.

He did not say all Canadians south of the 60th parallel, he said "all Canadians". He went on to state:

> Whether he be from Churchill, Trois Rivieres, Kamloops, Medicine Hat, Richibucto, or Port aux Basques, the Canadian citizen must be assured everywhere of the free exercise of his basic rights.

We call upon all Canadians south of the 60th parallel to recognize that, as a basic right, we have the right to govern ourselves. We are not being given that right by this legislation. When the Prime Minister was speaking about the same basic rights for all Canadians he went on to say:

> And why should this not be so? Are those not values common to all, and in which we all believe? Of course. And so, I ask you, gentlemen, why do we hesitate? Why are we reluctant to joint together in guaranteeing to the citizen, whom we all serve and represent, his most essential rights?

That is a very noble sentiment, but I wonder how many members realize that the two northern territories were not only not represented at that conference but not represented at any federal-provincial conference, so that the only input to these conferences from the north comes from the minister or from persons sitting in this chamber on the treasury benches, or from observers whose lips are sealed because they are prevented from giving the northern point of view. That is what the Prime Minister (Mr. Trudeau) referred to as basic rights. I shall not be much longer.

● (1620)

I hoped that the minister would have acceded to the wishes of the Yukon Council to increase the number to 15. He says he consults. He knows that is the number they want. Since he says he consults, he knows they do not want that complicated formula which imposes a ceiling of two increments every 5,000 increase in population. He knows the population does not want that at all. They feel they are responsible and can decide when their council should be increased. What is the matter with that? We follow that procedure here and in our provincial legislatures. There is nothing wrong with it. The minister did go so far as to include some input in respect of setting indemnities by council, but before that 1970 amendment they had to come to Ottawa with cap in hand and say that they could not get along on the indemnity of $1,500 a year. That was conceded and the change was made. Now, they have some input. Why cannot there be the same kind of input in respect of numbers? That is what they requested.

We have the recommendations of the Yukon Liberal Association. I do not know if the minister has been closely informed by one of those closest to him now. I note that he has. That is nice. I shall read the operative part of the Yukon Liberal Association resolution which was passed in 1967 because I read it into *Hansard* in 1970 when this legislation was before the House. It reads:

NOW THEREFORE BE IT RESOLVED THAT:

1. The membership of the Council of the Yukon Territory be increased to 15.

If the minister is so effective in getting so many things corrected in such a short time, then surely this should have been brought to the attention of the minister and we would have seen it in the bill. We do not want anything to be a little dubious about this political party representation the minister speaks of in Ottawa.

The second portion of that resolution reads:

2. That the Governor in Council appoint on the recommendation of a majority of the members of the Territorial Council of the Yukon Territory, a member of the said Council to be Chief Executive of the Territory and who will hold and discharge all the present responsibilities and duties of the Commissioner of the Yukon Territory.

In addition, what that resolution was calling for was the dismissal of the Commissioner as being an appointee of the minister and instead that the elected representatives be empowered to select from one of their own number a representative to hold office. I might say I do not agree with that assertion because all this would do would be to take away one elected member from the council and have him appointed as a bureaucratic representative. The third recommendation reads:

3. That four members of the Territorial Council of the Yukon Territory be elected by a majority of the said Council to assist the Chief Executive and to be responsible for the administration of the various departments of Government of the Yukon Territory.

I must assume they were serious when they advanced these resolutions. In other words, what the Yukon Liberal Association wanted—and they had a little difficulty appreciating the fact that they were not getting it if these resolutions were adopted—was an executive committee of five members, and also all portfolio responsibility to reside in that executive committee. Instead, we got from the minister three years after that legislation was passed an executive committee dominated by three civil servants. Now, he is pretending to induct more input by making it three elected and three appointed, but still with the Commissioner and the minister's over-all veto.

The fouth resolution reads:

4. That the necessary amendments to the Yukon Act and all other affected legislation be introduced forthwith to accomplish these aims.

Where is the effectiveness of this input by the Yukon Liberals? Obviously, they are thinking the same way, albeit ten years late. They are now enlightened and realize that what we are proposing is reasonable change. It would not create a province. It would create a recognized form of responsible government, stopping short of provincial status. The minister knows we look to the very near future when we will achieve provincial status.

I want to take a moment or two to place on the record, because everybody thinks these reforms started in 1970 with the Liberal Government, the words of the head of the government in 1958, the first Prime Minister to visit the Yukon Territory, the first Prime Minister to set foot above the 60th Parallel. He repeated that visit two years later. In September, 1958, he said it was his hope that, by the time of Canada's centennial in 1967, the Yukon and Mackenzie will have gone a long way, if not all the way, toward self-government. That hope was expressed on the basis of a policy which I and other delegates from the Yukon had succeeded, during our annual meeting and conventions, in convincing the government of that day to adopt. It was that which brought about the first meaningful changes to the Yukon Act, amendments which established the advisory committee on finance and amendments which increased the size of the council to seven, as the first step in a gradual increase by two's to 21 at which time we will be calling for provincial status.

We were the ones who developed that formula. The formula at that time—and it is outdated now I might add—was that there be an increase of one additional member for every 2,000 increase in population. Had that procedure been based on a population of 21,000, as the minister stated—he has a great way with population statistics. Whenever it pleases him to describe the tremendous value there may be in the Yukon, he uses inflated population statistics and inflated monetary statistics. However, whenever we come to him and make representations, he says that there really are not enough people in the Yukon, that he does not think there will be enough revenue from the Yukon to justify any remedies in respect of reform. So, he uses these statistics as he sees fit when he plays with the destiny of the people. He does not endear himself to the hearts of most northerners.

My colleague, the hon. member for Kingston and the Islands (Miss MacDonald), said that in the committee stage it will be our intention to move amendments in respect of both sides of the Richardson Mountains, the Yukon Territory Act and the Northwest Territories Act. It is hoped it will be possible to move amendments to increase the number in keeping with the wishes not only of myself and this party, but also the wishes of the minister's followers in the Yukon. I hope they will be acceptable to him. The minister smiles. Perhaps there may be a doubt about that in the sense that he will not even have to speak

about it because of the procedural difficulty with which he will be confronted in making that attempt.

One thing we will be doing is we will be making every effort to wipe out the formula that is imposed upon the council by the legislation. I think the minister will agree with me, after having stated he spoke with members of the Council of the Yukon, that they do not want it. They want to be free to make that increase or decrease on their own. They feel that they are responsible enough to make those decisions, and I agree with them. They feel that they are intelligent enough to make those decisions, and I agree with them. I am sure that my friend, the hon. member for Northwest Territories (Mr. Firth) would agree with them, and I am sure the Yukon Liberal Association would agree with them. I point out to the minister, in case he has forgotten, that while there may be some lack of admission in this regard on the part of the council, there are four Liberals on a council consisting of seven members so that there is a majority of the minister's followers on that council. They have said to him: "We believe we are responsible enough to set our own numbers" and that is what they have asked the minister to do. That is precisely what the minister has not done. So we will vote those amendments again in committee and perhaps even before that stage the minister might make it known to his members on that committee that he intends to accept that kind of amendment.

● (1630)

The minister has said nothing with respect to two other important amendments in the bill. My colleague, the hon. member for Kingston-and-The Islands (Miss MacDonald) has mentioned one of them so I will not waste the time of the House dwelling on that, but I do call his attention to the other one dealing with the increase in the legislative jurisdiction under section 16 (j) of the Yukon Act where certain greatly enlarged powers are given to the council with respect to legislation concerning prisons, reformatories, jails, lockups and the like. I draw his attention to the fact that no mention is made of institutions for the confinement of young offenders. It may well be that some thought should be given either to making absolutely certain that this jurisdiction is given to the council under the Juvenile Delinquents Act, as it stands now or under this legislation. I do not think we can continue to rely on the provisions of the Interpretation Act for our legislative jurisdiction in this matter.

Now, I wish to complete my remarks by saying the following. I was glad to see the NDP, at their annual meeting in Vancouver last September, adopt a resolution in favour of provincial status for the Yukon. That resolution said nothing more than that, so that there was no time limit placed on it. It is completely open ended. It is like being in favour of motherhood. I urge them to agree—and the hon. member for Northwest Territories will probably see to it that his colleagues understand—that there be a time limit on that resolution. The time to start toward provincial status by meaningful reform is now, but let them not leave it open ended. Let them say that the NDP is in favour of a resolution passed by the elected representatives of the people of the Yukon territory over nine years and three successive councils. It is all spelled out there, and there is nothing repugnant in it at all. When we

[Mr. Nielsen.]

reach that common ground, we will all be in agreement because the Yukon Liberal Association—even if its minister is reluctant to follow its resolutions—and recommendations and even if its government is loth to do so—is in accord with the feeling in the Yukon on this question and at least two political parties are almost in accord on this now.

As my last word I want to say that the national Progressive Conservative Party is the only national political party on record as including this principle of democracy in its national policy expressed by the leader of the party, and adopting verbatim the expression of the legitimate desires of the people of the Yukon as contained in their resolution 40, which is so familiar to the minister, wholeheartedly and 100 per cent. When our leader becomes prime minister this principle will not be adopted in the halfhearted way in which the minister has tried to do but will be done at once.

Mr. Lewis: I rise on a question of privilege, Mr. Speaker, arising out of something that the hon. member for Yukon said. He informed the House that about three years ago a non-confidence motion was moved by, I think he said, the leader of his party with respect to the north and that we voted against it. I have before me the *Hansard* issues of May 11 and May 12, 1971. Unless the hon. member was speaking about two non-confidence motions on the same subject in that session, which seems to be very unlikely, there was a motion moved by the hon. member for Peace River (Mr. Baldwin) I led off on behalf of my party and moved an amendment to it. If the hon. member would refer to pages 5761 and 5762 of *Hansard* of May 12, 1971, he would find that all NDP members voted of course for our amendment, which the Tories supported, and voted for the Tory motion.

I am sure the hon. member for Yukon would not want to mislead the House deliberately or otherwise. I am merely drawing it to his attention. He is always such a merciful fellow, and so anxious to be correct and accurate, that I hope this correction will make him feel somewhat ashamed of his allegation which is so totally inaccurate.

Mr. Nielsen: It is one of the rare occasions when I have come to a debate without having the verbatim record before me. I am not ashamed of what I said. That was my recollection, which was obviously inaccurate, and for that the leader of the NDP and his colleagues have my full, unqualified and unequivocal apology.

Mr. Lewis: I knew it would come.

Mr. Nielsen: But my recollection was obviously based on something, and I am not so inaccurate in that, may I say with respect. I am not questioning the vote that he cited as recorded at the pages in *Hansard* to which he referred, but it must have arisen because of the manner in which his colleagues dealt with the subject matter in the debate and the reluctance with which they spoke on the matter. In any event, I am glad that the hon. member has pointed it out to me because this session still affords an opportunity to bring in a similar motion on another opposition day, and I wonder if he will be so eager then to vote for it.

Mr. Lewis: Just wait and see. The hon. member's apology is so qualified that he never ceases to astound me by his generosity, as he did again today. If he is unaware of the source of his statement earlier, I have no difficulty with it. I have known the hon. gentleman to have been a very imaginative fiction writer on other occasions.

Mr. Chrétien: I rise on the same question of privilege, Mr. Speaker. If I were to rise each time I felt that the hon. member is inaccurate, I would be on my feet all the time.

Mr. Deputy Speaker: If generosity is to be attributed to anyone it should be attributed to the Chair. I now recognize the hon. member for Winnipeg North (Mr. Orlikow).

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as the hon. member for Northwest Territories (Mr. Firth) already indicated, it is our intention to vote in support of this bill. Having said that, I want to say to the minister that we do not consider this bill to be nearly as important as he does. I look on it as being no more than minor cosmetic surgery. It will make the situation north of the 60th parallel look a little better but it will not really change the very difficult and serious situation which exists up there. What is the situation?

I do not intend to deal in any detail with the social and economic problems of the northern half of this country today, but the situation is a depressing one. Of the 35,000 people who live in the NWT more than half are of Indian, Eskimo and Metis origin. Studies done in the Mackenzie district recently show that the per capita family income of the white people living in the NWT is almost $10,000 a year, while the per capita income of the Eskimos is less than half of that and of the Indians is not much more than a quarter of that. That is the situation to which we must address ourselves.

● (1640)

One of the ways in which it can be changed is to give the people of the Northwest Territories and of the Yukon more authority in decision making than they have had up until now, and even more than they will have after we pass this bill which the minister commends to us today. I can only assume from the actions of the minister, of his office, and of the Commissioners that not only do they not believe in provincial status for the two territories—incidentally I myself do not believe that the time for that kind of status has arrived yet—but they really do not believe in democracy or responsible government at all. Let me begin with the minister's office.

I am sure there has been a great deal of discussion in the cabinet, and between the Minister of Indian Affairs and Northern Development (Mr. Chrétien), the Minister of Regional Economic Expansion (Mr. Jamieson), and the Commissioners of the Yukon and of the Northwest Territories about whether the benefits of DREE programs should be made available to the two territories. I am sure I can make the statement without being contradicted that the minister must have received representations from both Commissioners urging that their territories be included in those areas which can avail themselves of DREE grants. If the Commissioners did not make that kind of proposal, then I submit they would be derelict in the discharge of their duties.

I point out that in the Whitehorse *Star* of March 1 there was a report of an announcement by the special assistant to the minister that Department of Regional Economic Expansion funds will soon be available in the Yukon. I am sure the special assistant has some faults, just as we all have, but I doubt that he would lie so brazenly, and therefore he must have been telling the truth. I suggest to the minister that if he believes in the rights of northerners, and in the administrations that he has set up to give them some input into what goes on in their areas, it would not be his special assistant, speaking at a political meeting, who would make that kind of announcement.

That kind of carry-on is a downgrading of the member of parliament for the Yukon, of the member of parliament for the Northwest Territories, and of the Commissioners and councils of both those areas. If the minister does not see that, then he does not have the slightest idea about participatory democracy. My colleague from Assiniboia calls it 19th century politics. It is Tammany Hall politics of the worst kind. Mr. Speaker, I did not think that in Canada in 1974 we would see that, under a supposedly progressive minister such as the Minister of Indian Affairs and Northern Development.

The minister tells us that this bill will increase the number of elected councillors in both territories, and will eliminate the hitherto appointed councillors in the Northwest Territories. That is a step in the right direction, but he went on to imply that elected members of both councils would have more authority to direct the expenditures and the operations of the territorial governments. Where is that spelled out in the bill? Where is the legislative authority for that kind of statement?

As I understand the present situation, what happens is that the individual commissioner brings down a budget. I presume he has discussed it with the minister. I say I presume, because I really wonder if the minister has approved everything that the Commissioner of the Northwest Territories does. Not today, but some time when we are dealing with expenditures for the Northwest Territories, I would like to ascertain—and I am sure I am not the only one—the arrangements under which the Commissioner operates what my colleague from the Northwest Territories calls "Airforce I". Does that aircraft belong to the government of Canada, or is it leased? Is there an amount in the estimates for the rental of the plane, if it is rented? Is there a limit on what the Commissioner can spend? Does anybody but the Commissioner decide when, where, and how often he will fly?

Did the minister ever approve the large amount of money which is spent each year on the Commissioner's Ball, a very lavish affair? It may not be very much money in terms of the total expenditures of the Northwest Territories, but I think it would be sufficient to build a dozen or more homes for native people who now live under pretty awful conditions.

What about the executive suites in Yellowknife and Frobisher Bay, which I have not seen but which I have heard about from many sources? How much do they cost a year? Who authorized the rents for them? How often are they occupied, and by whom? These are the kinds of questions which any responsible government representative should be asked, and yet these are questions that are

decided by one person, the Commissioner. Mr. Speaker, I should amend that and say they are decided probably by two people, because I assume the minister has the final say on that kind of expenditure.

Mr. Chrétien: On a point of order, Mr. Speaker, I do not think the hon. member would want to mislead the House. All the questions he is putting to the House today concerning Northern Affairs can be asked in a committee of the House when dealing with the estimates of the department. The same questions could be asked by all elected members of the council when they are studying the estimates of the different departments in the Northwest Territories. The elected representatives of the Northwest Territories, both in the Council and in the House of Commons, have plenty of opportunities to ask the same questions. I know the hon. member does not want to create the impression that nobody knows about these things, or that there is some mystery about those expenditures.

Mr. Deputy Speaker: Obviously, this is a question that could be dealt with by the minister if he wishes to speak when concluding second reading. It is not really a question on which to interrupt another hon. member's speech.

Mr. Orlikow: Mr. Speaker, of course they can ask questions, and I presume they will get information. The important thing to me is not whether they can ask questions about it, but whether they can do anything about it. For example, can they say to the Commissioner, "You cannot spend $100,000, or whatever it is, for the Commissioner's Ball. We think it should be spent somewhere else." The minister shakes his head, but to my knowledge they have never done that, and have never attempted to do it. The minister says that we can get the answers to questions. I am glad he said that, because he anticipated a question I am now going to raise. I talked about the difference between the standard of living of the white people in the Northwest Territories and the standard of living of the native population. I gave a few figures. One of the largest employers, in fact the largest in the Northwest Territories, is government, both the government of Canada through its various departments, and the territorial government. I am told that in the past ten years the number of public servants working in the Northwest Territories has almost tripled.

My colleague, the hon. member for Northwest Territories (Mr. Firth), put some questions on the order paper last session. The hon. member put the questions on the order paper when this session began. He wanted to know then, and still wants to know, how many people work for the territorial government and for the federal government in the Northwest Territories in each of a number of categories, and of that number how many are native people? The minister's department has that information but has not answered the questions. Why? Probably it is because the minister would be embarrassed to tell this House and the country how small the number of native people is who work for the government of Canada and for the territorial council, and how poor the jobs are in terms of status and salary.

[Mr. Orlikow.]

• (1650)

Mr. Chrétien: This information has been given in committees.

Mr. Orlikow: That may be true, but not to my knowledge. I wonder why there should be a delay of almost five months in getting answers to questions put on the order paper by the hon. member for the Northwest Territories? If the minister has the information why does he not give it in the regular way?

Mr. Speaker, the best jobs have been reserved for white people, most of whom come from southern Canada. That is equally true or even more so, of housing. It is difficult to get people to work in the high Arctic, so the government of Canada has provided a special program of housing for federal civil servants who work in the north. People who come from southern Canada are provided with rental housing, with electric power, with running water and so on, where it is possible, at a subsidized rate. All housing in the high Arctic, of course, is subsidized. There are practically no native people, even those working for the government of Canada or the territorial government, living in that kind of housing. Why is that? It is because the regulation only provides for that kind of housing for people not living in their home community.

An hon. Member: Where is the hon. member for the Northwest Territories?

Mr. Orlikow: He is right here. If you get a job with the federal government in your own community, you do not qualify for housing. I cannot think of anything, either by accident or by deliberate policy, which would discourage the native people from working for the federal government more than that kind of provision. Native people are simply not permitted to work for the government.

I want to deal for a few moments with the basic issue as I see it. That is, despite the complete election of the territorial councils by the people who are eligible to vote, the real power will still rest with two people, the commissioner of each territory and the minister. The commissioner, I presume with the approval of the minister, makes every decision that is important. Speaking for myself, I do not believe that the two territories are ready for provincial status at this time in any case. Certainly, not in their ability to finance their own necessary government operations.

Mr. Nielsen: What government does?

Mr. Orlikow: Very few, that is true. I do not believe that the time has yet come when either territory is ready for provincial status. That may be true—

Mr. Nielsen: Why not?

Mr. Orlikow: —and it may be true that the final authority on budget and expenditures must still be this parliament on the recommendation of the minister. It may still be true that this parliament and the government, through the Minister of Indian Affairs and Northern Development must decide how much money will be allocated for housing, for the building of roads, for education and so on. I want to say to the Minister that in my time in public life I

have seen nothing as depressing as the Innuit Monthly which I get almost every month. This is not the only document that I read—

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

Mr. Orlikow: Certainly.

Mr. Nielsen: The hon. member has said that he does not believe the two territories are ready for provincial status now. As the leader of his party properly pointed out to me a moment ago, there was a non-confidence motion on that very issue on May 12, 1970 when his party voted in support of what he says now he is not supporting. I wonder if he has changed his mind in the meantime?

Mr. Orlikow: Mr. Speaker, that motion did not call for provincial status immediately. I do not think it did but I have not got it in front of me. I do not say, and I did not say, that I do not believe in eventual provincial status for the territory I have not said that, and I will not say it today. I have said, and I will content myself with that, that I do not believe either territory is ready for provincial status yet. Let me say, however, that I do not believe in feudalism. It did not work in Europe centuries ago and will not work in the Northwest Territories or the Yukon today.

When a commissioner visits a community in the Northwest Territories and meets with the residents—I will give the minister an illustration and I can document this—who say to him they need 25 or 35 new houses to look after the unfilled needs for housing in the community, and when the Commissioner can say to them right then and there that they cannot have 25 or 35 houses but can have five or ten, then I say that no person, a commissioner or any other, should have that kind of power. It could be, in any kind of system, that the number of houses needed in any year would be much greater than would be possible under the allocation for housing. It seems to me wrong that a commissioner, by himself, should be able to say to any community, this is what you can have. Surely, in any community in which the needs of the residents are taken into account, the commissioner should have to consult—

The Acting Speaker (Mr. Laniel): Order. The Minister of Indian Affairs and Northern Development.

Mr. Chrétien: Mr. Speaker, it was agreed that the hon. member was to be the last speaker. Perhaps, with unanimous consent, we could pass second reading right now.

Mr. Barnett: On the point raised by the hon. minister, I understand from the hon. member for Winnipeg North (Mr. Orlikow) that he could conclude his remarks in about four or five minutes. If there is a disposition of the House to allow him to finish, I believe he would be the last speaker from this corner of the House.

The Acting Speaker (Mr. Laniel): Order, please. Hon. members have heard the suggestion of the hon. minister and the hon. member for Comox-Alberni (Mr. Barnett). Perhaps we might hear another suggestion.

• (1700)

Mr. Stackhouse: Mr. Speaker, a private member's motion is to be dealt with at five o'clock and I know that several hon. members want to speak on it. I do not think the private member's hour should be shortened more than necessary. I think we would all agree to taking the vote now. However, on behalf of those who want to debate the private member's motion, I suggest that we should reach private members' business as expeditiously as possible.

Mr. Barnett: Mr. Speaker, perhaps we should not see the clock and, at six o'clock, extend private members' hour, to make up for the time taken by the hon. member.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Am I to understand that it is agreed that private members' hour is to be extended after six o'clock by an amount equivalent to that taken by the hon. member?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Is it also agreed that we shall not see the clock at this time, in order to allow the hon. member for Winnipeg North to complete his remarks, and that we shall then proceed to private members' business?

Some hon. Members: Agreed.

Mr. Orlikow: Mr. Speaker, I will not take very much longer. The point I am trying to make, which I could illustrate with many examples if I had the time, is that the present system, under which the commissioner makes unilateral decisions in the field of education, the environment, the use of resources and any other field, is wrong. That is the system under which the people of the Northwest Territories and of the Yukon live with at present. That system I consider to be wrong in principle, as under it we do not utilize the knowledge and experience of the people living in the Territories. It is a system from which we should move as quickly as possible.

I said a few moments ago that I am not convinced that the time has come for giving provincial status to the Territories. I am not at all convinced that they should make their own decisions, as the provinces now do. On the other hand, they will never reach that point if we do not allow some movement in that direction. We must allow them at some time to make meaningful decisions on matters which affect them. I suggest to the minister that he is proposing such a small step forward as will have little if any effect.

Although we support this bill, I urge the minister to give serious consideration to further clarifying the question of governmental decision making in the territories. He can do that either by further legislation or order in council. He can decide which is required and which is necessary, so that territorial councils will be more than figure heads. Such action will enable the councils to make decisions, and will mean that they have more than the patina of authority for democratic decision making. Although they would not have the right to say to the commissioners of each of the territories that they want to spend more

money than is proposed for spending, or to increase or decrease taxes, they would have the right, within the limits of proposed expenditures, to say to the commissioner and the rest of the bureaucracy that they want certain things done.

For instance, they could say they do not agree with the way in which money is being spent, that they want it spent in other ways, to meet other desires and other, more important needs. For instance, they could say that they want to spend more money on education and less on road building; more on housing and less on the Commissioner's Ball; more on health, and less for travel on the part of some high ranking civil servant working for the territorial council. If the minister were to make that kind of decision and bring in that kind of proposal, he would have the support of my party and not hear the kinds of criticisms which we have had to make today.

The Acting Speaker (Mr. Laniel): Is the House ready for the question? Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

[Translation]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTION TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Social security—Old Age Security and Canada Pension Plan payments—Possibility of reduction of age of eligibility to 60; the hon. member for Assiniboia (Mr. Knight)—Transport—Shortage of railway cars to move grain and lumber—Return of Canadian cars from United States—Repair of rolling stock; the hon. member for Winnipeg North (Mr. Orlikow)—Transport—Railway freight rates—Provision of information to western premiers.

[English]

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

[Mr. Orlikow.]

PRIVATE MEMBERS' MOTIONS

[English]

HOUSING

SUGGESTED REPOSSESSION OF ROCHDALE COLLEGE

Mr. Reg Stackhouse (Scarborough East) moved:

That, in the opinion of this House, the government should act, by legislative or other means, to take over immediate and direct control of the so-called Rochdale College building in Toronto, and thereupon evict the present occupants and arrange for a socially-constructive use of the building.

He said: Mr. Speaker, in rising to speak on this particular motion may I point out that, often, this House follows the adversary system, which works well. Often a matter is well resolved after being condemned from one side and defended from the other. May I point out, however, that with respect to this motion we all have something to gain. It gives all members of the House, regardless of party, an opportunity to declare themselves about an issue of deep concern to the people of this country, particularly in the Toronto area. As well, it will provide the government with an opportunity to gain support for action that it may find is needed. So, I hope we can all take part in the discussion on this motion with that in mind, remembering that this is not primarily a subject of party concern so much as of social concern, a subject on which we can unite and, by debating this motion, declare ourselves and support the government on action which may be required.

We must remember that our primary concern is not so much to attribute responsibility or guilt as to seek a solution. We must consider, together, how we are to arrive at that solution. Certainly, the government made a mistake when it agreed to finance the building of Rochdale College with a CMHC mortgage. The record of Rochdale shows this to have been a mistake. Mistakes can be corrected; that is the point. Rochdale has come; but Rochdale must go. In view of its major involvement originally, the government ought to be determined to see Rochdale College go. If one method fails, the government must try another.

Recently it has been trying one method, the judicial method. News reports of the past weekend say that the receivers in charge of the building, who represent various creditors, are seeking authority to evict the tenants. That action, if successful, would certainly meet one of the objectives of the motion. That application which is to be heard on Wednesday, according to news reports, may fail. In that case I hope that the various authorities concerned, with the government behind them, will try another method. I hope they will keep trying until the ultimate objective of cleansing this building and turning it over for a legitimate social purpose has been achieved.

The need for this determination should be clear to us all. One reason is the contemptible condition of Rochdale itself. It has sickened people across this country. The government must show the people that it is determined to act and achieve the objectives referred to. The second reason is the amazing survival power that Rochdale seems to have had. From its beginning until now, it has demonstrated an incredible capacity for withstanding governments, courts, police, the media and public opinion. This

motion offers an opportunity to parliament to see that Rochdale is not going to go on thumbing its nose at the people of Canada.

● (1710)

Rochdale has become more than a building, more than an institution. It has become a symbol. It symbolizes the failure of permissiveness. What began as a visible defiance of an established organized society has become itself an ironic vindication of that society. Rochdale shows what happens when people renounce the basic values that hold society together. Rochdale shows the social necessity for the much despised so-called middle class principles of going to work, meeting your mortgage, paying your taxes, paying your rent, staying off drugs and living with your family. For that reason, we have found in recent times a growing recognition by the media just what this place represents.

Time magazine called it "a highrise symbol of a noble experiment that went horribly awry". The Toronto *Star* called it "a degeneration of an educational experiment into a community menace." The *Globe and Mail* has said, "its name has been linked with suicide, perversion of the young, defiance of the law and destruction of property." Since this so-called college opened as an experiment in co-operative student housing and more unstructured education, it has been continuously at the centre of controversy. One reason has been its failure to pay either mortgage or taxes. Rents have been collected, but where has the money gone? One news report claims that according to the receivers, perhaps $150,000 in rent money is missing. Where has the money gone? It certainly has not gone to Central Mortgage and Housing Corporation and certainly not to the city of Toronto.

Since 1968, Rochdale has accumulated arrears in mortgage and tax payments in excess of $1,800,000. That is serious enough. It is serious enough for government action. However, the real reason for people's abhorrence has been the way this place has become a centre for drugs and depravity. It has been condemned by the metro Toronto police as a supermarket for drugs. Chief Harold Adamson claims it is the only centre for an organized drug traffic in Ontario. In the first three months of 1973, police seized almost $250,000 worth of drugs. Fraser Kelly, a respected commentator, referred to it "as the largest soft-drug distributing centre in North America." In one three month period, police made 795 drug charges.

As Richard J. Needham said in the *Globe and Mail*:

> It is a hotbed of drug use, drug traffic, of general filth and disorder.

A year ago the then coroner of Peel county, Dr. Martin Dobkin, was quoted by the Toronto *Sun* as saying Rochdale is "a festering abscess". A police report of the metro Toronto police commissioners showed that this had been the character of Rochdale from 1969. This report described offence after offence. I will take the time of the House to cite only one, a typical one.

> On August 12, 1970, when police officers were executing an order for search of an apartment at Rochdale College, they were hindered by the actions of a security guard. The fire alarm sounded and about 75 persons gathered calling the police "pigs" and spitting at them. Upon reaching the elevator with the security guard the lights went out. After some difficulty the officers reached the apartment and found it empty.
>
> *Rochdale College*
>
> A piece of paper stating the price and weights of hashish was found. The apartment smelled highly of unsanitary conditions.

The report describes other incidents of the seduction of minors, rape of women, theft, assault, possession of weapons and homicide. Since Rochdale opened, there have been several meet their death by falling from windows of the building. One was a young man from my own constituency.

Some news reports have claimed that Rochdale is having a change of heart. We have been impressed by the prospect that under pressure, persuasion or whatever reason, there may be a new outlook developing in that institution. However, we have been fooled in the past. For example, if we go back a year to May 1973, we find a news report in the *Globe and Mail* headed "Rochdale and receiver say struggle is over". That was a year ago. They were both saying then that there was a new spirit of co-operation. They had a new policy and a new willingness to make the thing work. We hear these reports again. We hear that the college is ridding itself of the drug pushers. I notice these claims are more often made by spokesmen for Rochdale than authorities fighting the drug traffic.

If we think Rochdale is no longer what it used to be back in the bad old days of 1973, let us see how a coroner's jury in January, 1974, after another 18 year old fell to his death, recommended that all Rochdale tenants be evicted as the only way of getting rid of drug users. Coroner K. R. Baxter said it was "a festering cancer—dirty, disreputable, intolerable." Listen to what the grand jury of the country of York said as recently as last month:

> Rochdale still carries on as an armed fortress of wholesale drug and narcotic receiving and distribution, the "Ontario food terminal" of the illicit drug business. There could be no real improvement and control of drug abuse in Ontario until this promotional centre is put out of business. What process of law or intestinal fortitude have been lacking in the past, must surely be evoked without further delay.

When Rochdale was opened, it was made possible largely through taxpayers money being loaned to them at a low interest rate. Maybe the objective of the authorities was understandable. Maybe it was acceptable. However, we have to recognize what has transpired since the time that decision was made.

The sponsors of this institution who came to the representatives of this so-called square, straight society to get their loan went away with the money in their pockets, all the while sneering at the society with a truly supercilious arrogance. They boasted they would give a new experience in education. All they have given Canada is an old experience in degradation. It is for that reason citizens throughout metro Toronto want Rochdale to go. You can see that any night by reading the letters to the editors of the newspapers.

● (1720)

One writes:

> If any other operation owed Rochdale's back money, it would have been closed long ago.

Another writes:

> I wonder how many young people must die before something is done about this incredible situation.

A third writes:

Every level of government has deplored and condemned this festering blot on the landscape—Cannot some authority evacuate and fumigate this nest and put it to a useful purpose?

Prominent leaders have joined these ordinary citizens in expressing largely the same convictions. Ontario opposition leader Robert Nixon, Alderman George Ben and former executive Alderman Tony O'Donahue are three leading Toronto Liberals who have called for a change. This is not a party issue, it is one which challenges the conscience of every decent citizen.

An even greater challenge, of course, lay in doing something about the situation. Since 1969, when it was first reported that the mortgage on Rochdale College was in arrears, spokesmen for the government have been promising that something would be done. I recognize that since 1971 these spokesmen have been claiming, and with some justification, that they have been trying to get that certain something accomplished. They have, on more than one occasion, been halted by court action in efforts they have been attempting to make. That is one reason for the concern I feel this afternoon. Will the government be stopped again in following its judicial route? Will it run into a roadblock? The strange thing is that Rochdale College has greater survival power than has a cat with nine lives.

In 1970, the then minister in charge of housing, in the midst of the kind of criticism and comment with which we have become familiar with respect to Rochdale, made an announcement in the press that he would very soon be deciding the fate of Rochdale. So many allusions to the fate of Rochdale being decided and so many announcements respecting its pending demise went out from Ottawa that the Toronto *Telegram* actually believed something would happen.

In 1971, that newspaper published an editorial entitled "Farewell Rochdale". Since that occasion, the Toronto *Telegram* has gone, but Rochdale is still here. It is one thing to say that Rochdale is going, but quite another to report it has gone. There have been all kinds of promises, announcements and assurances, but what we would say to the government is this: if you have the willingness and the determination to carry out these threats, we shall be behind you. We want action. We are willing to support you in whatever action it is necessary to take, through legislation or any other means, to accomplish the objective we all desire. But let's have the action rather than the assurances. We have had enough promises, let's have some performance.

Just a few years ago a receivership was appointed on behalf of all creditors involved with Rochdale College. It has recently been said that some control is being gained. For example, Rochdale security guards have been replaced by a private protective agency and we understand why this was necessary. For some time the appointed receiver could not collect the rents. He could not deliver an eviction notice. He had to send such a notice through the mail, so afraid he was of being harassed as he went through the buildings. Now, it is understandable that when there has been so much resistance to normal authority many suspect that the objectives of CMHC, the objectives of the government, may somehow be thwarted again. It is possible, for example, that the appeal being launched on behalf of the College may be upheld, and that the attempt by CMHC to foreclose may fail.

We should be concerned, therefore, by the possibility of such a failure occurring, or, perhaps, by the possibility of the government being talked into some new arrangement with the people who have sponsored Rochdale in the past—and they seem to have gained from it throughout the years. Hence the value of the motion before us. It gives the House the opportunity to say to the government that it must act through legislation or by some other available means. It gives the government the opportunity to gain the support of the House in taking action if it should prove necessary.

The government may say it has no option if its action of foreclosure does not succeed. What we are urging the minister to do, with his colleagues in the government, is to seek through legislation or other available means another route. The minister has from time to time insisted that he has done everything the law permits, and within certain terms of reference I agree with that. But that is not good enough when compared with the efforts made by the government in other circumstances in which it has been determined.

In 1963, for example, the government was challenged by the Seafarers' International Union. As a result of that situation the government passed legislation to put the maritime unions under trusteeship. When that bill was introduced, some members of the House suggested that parliament had no constitutional authority to pass it. But parliament did pass it. Some people claimed that there was no authority given to parliament under the British North America Act to place union property under trusteeship, since property rights were a matter for the provinces. Nevertheless, the authority of the trustees was upheld. So we see, from these proceedings and others, that where there is a will on the part of the government there is always a legislative way. This was true then, and it is true today. It is demonstrated by the government's determination to keep the WFL out of Canada, even if it means passing legislation under the terms of the British North America Act. Somehow or other, the government is willing to tell parliament that action of this kind is necessary to peace, order and good government of Canada. Maybe it is—

The Acting Speaker (Mr. Laniel): I regret having to interrupt the hon. member but the time allotted to him has expired. Would the House allow him a few more minutes in which to complete his remarks?

Some hon. Members: Agreed.

Mr. Stackhouse: I thank the House for its courtesy and I shall not trespass on its good will. The point I was making was this: if the government feels very strongly about the need to take a certain kind of action it can find the means of doing so. It claims that action in respect of the WFL is necessary for the peace, order and good government of Canada. If it can be taken seriously in this regard, how can one believe statements that it does not have the authority to deal with the situation at Rochdale?

An hon. Member: They are bluffing on the other, too.

Mr. Stackhouse: Is there one law for Toronto and another for Rochdale? What the hon. member says may be true in the instance of football. We shall see whether it is true with respect to Rochdale. Anyway, we can understand why the *Globe and Mail* writer asked this question: "What is there about Rochdale that makes politicians impotent?" That is not a word I would have used myself, but it is used in that editorial. It does raise a question with which we should all concern ourselves. We should seek to support the government in whatever action it may find necessary. We ought to say to the government: This responsibility is yours and we are looking to you to correct the mistake which was made.

● (1730)

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I hesitate to intervene in private members' hour, but I do so in this debate as the minister responsible for Central Mortgage and Housing Corporation simply to demonstrate the very deep concern and interest of the government and myself on this issue. I am under something of a handicap in that this matter, as the hon. member who has just spoken made clear, is the subject of foreclosure and is before the courts. I am under some impediment as to precisely what I can say, but I will endeavour to manage with that impediment.

I was amused during the speech of the hon. member, who has made several speeches on the subject of Rochdale College, when he suggested that it must not be made into a partisan matter but should be dealt with as a non-partisan, non-political issue and then spent some time in his speech, as he has on previous occasions, using every possible means to turn it into a partisan political matter. I have made it clear on the record of this House before, and I do so again today, that the government is taking every possible legal means—I underline "legal" means—to gain possession of Rochdale College.

Mr. Hellyer: Nonsense.

Mr. Basford: It is my view that we are doing that simply because present conditions at Rochdale are intolerable and unacceptable. Unfortunately, it is not a simple matter to rectify the situation through the legal process. We shall hear from a learned law professor in a moment. Unfortunately, foreclosure is not a simple matter. But the proposals made by the hon. member would not get around the difficulties with which we are faced.

Let me outline the legal situation and describe what this government has done in an attempt to expedite the process. I shall not go into the history of this matter except to say that I was not the minister at the time. It seems to me, looking over the records, that at the time the Rochdale proposal was put forward, everyone in all parties in this House, in the city of Toronto and in the provincial government, including people from all walks of life, thought the idea as presented—I underline the word "presented"—was a good one. It was an attempt to meet the particular housing situation at the time. It was thought to be such a good idea that the loan was approved, and this is no reflection on him, by the hon. member for Trinity (Mr. Hellyer), who was then the minister responsible for housing.

Rochdale College

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege. It is not that I wish to interrupt the minister in presenting this apologia for the government's inaction, but I should like to set the record straight. I was not the minister at the time the loan was approved.

Mr. Basford: I stand corrected and I accept the hon. member's word on that.

Mr. Hellyer: I hope the rest of what you say is more accurate.

Mr. Basford: I will have to check the records, and I may have been confused, but I understand that in fact the hon. member approved the loans in respect of some of these co-operative colleges. My concern about what has happened at Rochdale is that it may unfortunately reflect upon the whole co-operative housing movement. Last session this House passed very good amendments to the National Housing Act relating to co-operative and non-profit housing. These amendments are beginning to work in some parts of the country, and I should hope that the experience of Rochdale, which in fact is not a co-operative in any sense of the word, will not adversely affect the operation of the amendments approved by the House in the last session.

Mr. Hellyer: The co-operatives will get you into trouble, too.

Mr. Basford: Going back to the legal situation, after the loan was made, default on the mortgage occurred on August 17, 1971. As a result of that substantial default in payments, CMHC proceeded on behalf of the government with a foreclosure action by writ of summons. That suit attempted to take possession of the building and to give CMHC, as the agency foreclosing, possession and management of the building. After several unsuccessful attempts in the court, CMHC attempted through the legal process to gain interim possession, interim receivership and interim management of the building but was refused by the court. In fact, the order of the court specifically excluded CMHC from taking over possession and management of the building.

At that point we instructed our solicitors to endeavour to commence an action, on behalf of all the creditors, for the appointment of a receiver or manager. Fortunately, that application was successful and by order of the court a receiver was put in possession of the building. The trial of that action commenced October 1, 1973. Our solicitors again took special action, and I wrote the attorney general of Ontario and asked that he use his good offices in this regard and the matter was referred to the court registrar to set an early trial date for the action. It was heard on October 1, 1973, and arguments were completed on October 4.

On the foreclosure action in the Ontario court judgment was reserved by Madame Justice Van Camp, who gave judgment on February 4, 1974. That judgment was totally in favour of the foreclosure action of CMHC. Everything that CMHC had asked for was granted. That decision was completely in our favour. I will not detail the precise nature of the order, as foreclosure actions are extremely complicated, but there was an order for a reference before

a master for the taking of accounts, the taxation of costs, and redemption and possession, which was what we sought from the court.

The defendants in this case, Revenue Properties Central Developments Limited, and Rochdale College, filed a notice of appeal on February 4, 1974. We are still living with a judicial system in which parties to a lawsuit have the right to appeal, and these parties have exercised that right. By reason of the filing of the notice of appeal, CMHC is in exactly the same position it was in prior to the judgment of the Supreme Court of Ontario. The receiver, Clarkson Gordon, therefore remains in possession of the land and premises to use and operate them, to receive rents and profits and to make all necessary expenditures until the trial or other disposition of the said action.

The motion before the House suggests that we should take further action. I think we have tried and I have documented that effort. We prosecuted a foreclosure action as expeditiously as the court rules allow. Following the judgment and the notice of appeal, which could for some years put off a final decision, I wrote the following letter to the receiver, who is acting not for CMHC but as a court appointed receiver on behalf of all creditors, in the following terms; it is addressed to J. L. Biddell and is dated March 1, 1974:

> As the minister responsible for Central Mortgage and Housing Corporation I have, since the foreclosure action was commenced, instructed that the proceedings on Rochdale College be proceeded with as quickly as the rules of court allow. This had been done and resulted in a judgment of the Ontario Supreme Court on February 4, 1974, in favour of CMHC. I am now advised by our solicitors that this decision has been appealed to the Ontario Court of Appeal and that in spite of my instructions, and an application to the Chief Justice for an early hearing date on the appeal, that the disposition of this appeal and a possible subsequent appeal to the Supreme Court of Canada could be a matter of years. To me it is intolerable and inexplicable that the present conditions in Rochdale should be permitted to continue throughout this further period of lengthy legal proceedings.
>
> It is clear even from an economic point of view that the present type of operation is wasteful and will continue to be non-viable.
>
> ● (1740)
>
> Every effort must be made at this time to change the type and character of the occupants of the said building.
>
> I therefore formally request, and for CMHC concur, that you take forthwith all steps that are necessary to gain vacant possession of all of the residential accommodation at Rochdale College and when this has been accomplished, thought could be given to the making of needful repairs and improvement so as to attract a more conventional type of occupant thereby reducing to a minimum the high cost of maintenance and security.
>
> In taking these necessary steps forthwith I trust that you will have the complete co-operation of the Attorney General of Ontario and the Chief of Police of the city of Toronto.

Mr. Speaker, I mentioned that last paragraph simply because I feel, acting on behalf of Central Mortgage and Housing Corporation, that I am the only one interested in prosecuting any action in respect of Rochdale. While we have the rights of Central Mortgage and Housing Corporation, those are the limits of our rights. Much has been said in this House and elsewhere about criminal conduct, alcoholism, drug activity, and so on. Those are activities clearly under the jurisdiction of the chief of police of the city of Toronto who, of course, would have our complete co-operation. We are simply involved as a mortgage company.

[Mr. Basford.]

Mr. Hellyer: Do you take that attitude toward slum lands?

Mr. Basford: Mr. Speaker, as a result of the action I have just documented, on March 8 this year the receiver filed an application by way of notice of motion in the Supreme Court of Ontario for leave to terminate all existing residential tenancies in Rochdale College. The said notice of motion is returnable at Osgoode Hall, Toronto, on March 20, 1974. The day after tomorrow, therefore, I would hope to report—and I must be very careful in terms of parliamentary proceedings, as must other hon. members—that the court will adjudicate on the motion as expeditiously as possible. I have clearly stated my view that the tenancies should be terminated as soon as reasonably possible without prejudice to the parties in the action. I certainly will indicate, through the solicitors, that that is our view and that the general conditions in Rochdale College are intolerable and inexplicable and they should not be permitted to continue until the foreclosure action has been finally determined by the court.

The hon. member speaking for the motion said that we should take, in the terms of the motion, some other action. Within the laws of the land, we are taking the action which is appropriate and which we were advised is the best action. This was the advice by the law officers of the Crown and our retained solicitor. The hon. member, for example, as I understood him, suggested we could take expropriation proceedings in respect of Rochdale College. I am sure he makes that suggestion with the best of motives, wanting to be helpful in this suggestion.

I suggest—I think the lawyer-professor who will speak in a moment will support me in this—there is probably only one legal process that is more complicated than foreclosure, and that is expropriation. If one thinks foreclosure proceedings are complicated, expropriation proceedings are even more complicated. Under expropriation proceedings it takes even longer to get possession of a building and take action. Furthermore, it involves the real risk that in an expropriation proceeding we would have to spend additional moneys either to subsequent encumbrancers of revenue property or even, conceivably, to Rochdale College, the owners of the building.

As I say, I am sure the hon. member put forward his idea in good faith. I give him that credit, but I say that we have examined every possible legal avenue that we should follow. If we were to take expropriation proceedings, we would run the risk of having a court order and paying additional money to the very people we want to foreclose. From the beginning I have instructed everybody involved that although we could move very quickly by the payment of extra money by way of settlement or expropriation, and probably very quickly by the payment of extra money, surely enough of the taxpayers' money is already involved in this matter. The foreclosure action will protect the taxpayer. Surely we should not be taking legal proceedings which run the risk of our having to pay additional money. I have suggested that we should not pay one red cent by way—

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member rising on a point of order?

Mr. Stackhouse: Yes, Mr. Speaker. The minister has been very concerned about rebutting a point which actually I did not make. I was interested to hear his representation in respect of this point to which I did not refer. He is correct in saying it was part of a speech I circulated, and I know he read a copy of it; but I did not make it in this debate. I stand by the representations and take seriously what he said about them, but it was not part of this debate. In respect of the remarks which I did circulate and which the minister has read, I suggest he should acknowledge that in those remarks I said that the money that would be spent on expropriation would return to the public purse, going from one agency to another.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member is becoming involved in debate. He can correct a statement made, but he should not go into the detail of the document to which he refers.

Mr. Basford: Mr. Speaker, I draw the point simply to show we have considered, and do consider, all possible legal means in respect of Rochdale College by which the government can obtain vacant possession, as the lawyers would say. We are proceeding in a way in which we can do that pursuant to the law and as quickly as possible. We have examined it and are ready to examine all other suggestions concerning how that could be done more quickly. However, we are proceeding in accordance with the law as fast as we can. I very much resent implications from the opposition that somehow we are not doing that.

We live in a society which believes in the rule of law, and that is as binding on the minister and on Central Mortgage and Housing Corporation as it is on anyone else in this society. We can only foreclose and gain vacant possession in accordance with the rule of law. That we are doing. The conditions at Rochdale College are intolerable and, to me, inexplicable. Vacant possession of the building should be granted as soon as the law allows. I hope that will be the result of our legal proceedings.

Mr. Ian Arrol (York East): Mr. Speaker, one of the most popular statements that Charles Dickens had one of his characters make, a statement which has echoed down through the years since it was made as a response to the slow way in which the law may work in aid of justice, was "the law is a ass". This might be a response to statements such as "all that can be done is being done", "the situation is complex" and, as the minister just said, "the government is taking every legal means to obtain possession of Rochdale College" and also "foreclosure is not a simple matter". We also know that in the case of a clever lawyer who has a client who may be guilty of no matter what—absconding with funds, or committing murder—there may be a time when that lawyer would find a way in the interest of his client.

● (1750)

In the case of Rochdale College, the crime is not one committed by the public but against the public, and surely a way can be found to obtain redress for the innocent victim, in this case the people of Toronto. In response to the possible question, "What would you have us do; break the law to enforce the will of the people?" the answer must surely be that the government is not now serving the people of Toronto well until some way is found of serving the general will. "Close Rochdale" is the call of the people of Toronto.

It is with a great degree of satisfaction that we recognize that the letter which the minister wrote on March 8 resulted in the report in the *Globe and Mail* of March 16 headed "Receiver will attempt eviction of Rochdale". But if this fails, the government should not say, "We have tried everything possible and are not able to close down Rochdale," not until the federal government takes the initiative of saying, "This problem is big; this problem must be solved; this problem may be larger than the powers of the federal government to cure it." I suggest, then, the federal government should meet the minicipal and the provincial authorities and should not say, "It was your fault," or, "In the year such and such you said it was O.K."

Let us all admit, municipally, provincially and federally, that we now have a situation which must be cured, and where there is a will there must be found a way. It could involve the co-operation of the police department, the health department, the attorney general of the province, the Minister of Justice of Canada—but whatever is needed to close this mansion of ill-repute must be done before the people of Toronto feel and fear that the government cannot act on their behalf. The federal government cannot solve our national problems, we cannot solve all world problems; yet when in our midst there is a cancer, and when in our midst there are people who want action and when the federal government has the fundamental responsibility, let us act to say jointly to the municipality and to the province, "Let us find some way to close Rochdale".

Mr. Barnett J. Danson (York North): Mr. Speaker, I see that other members from Toronto ridings wish to say something, so I shall try to be brief. I think this is a matter which concerns all of us who represent Toronto ridings and come from the Toronto region. I believe it is a silly argument to compare this matter with other legislative priorities. I do not think we gain any marks by comparing it with the World Football League.

This reminds me of a letter which I received from a friend and constituent today about the World Football League. He said that we have our priorities all wrong. I replied that it was him who had his priorities all wrong. He did not write to me about unemployment insurance, about capital punishment, about old age pensions or about veterans' allowances. I cannot buy those sorts of arguments any more than I can the argument that this is a great national issue and that the law should be pushed aside. It is a matter of intense concern to those responsible to the people of Toronto, but you do not push aside laws, which hon. members opposite have helped us to write, to cure situations such as this.

The most important interjection in the debate today was that of the minister when he quoted from the letter he sent to Mr. Biddell, the receiver. He wrote:

> To me it is intolerable and inexplicable that the present conditions in Rochdale should be permitted to continue throughout this further period of lengthy legal proceedings.

Obviously, the minister is doing all in his power. As a matter of fact, he did not say that Toronto government members met with him a long time ago on this issue and he is co-operating in every way to try to clear up this matter.

Mr. Paproski: That is not true.

Mr. Danson: Mr. Speaker, I have been accused of not telling the truth. I would like the hon. member to withdraw that remark.

Mr. Paproski: I did not say you didn't say the truth. I said it was not true.

Mr. Danson: Fine. The hon. member is withdrawing his statement and I accept his withdrawal.

Mr. Paproski: I do not withdraw anything.

Mr. Danson: Let us not take up any more time with these silly interjections.

This was an experiment that failed. It resulted in a cesspool, a morass of drugs and slothfulness which none of us can accept and which we want to see cleaned up. It is a black mark on the legitimate co-operative housing projects which we all support, and it is a black mark on the legitimate students who are trying to further their education in imaginative ways. It really sets their case back. I am very impressed by a similar project in Toronto about which we have not heard anything, namely, the Neil Wysick College at Ryerson. They have their problems, but the students have anticipated them and have approached many members with a reasonable solution for curing them. They are trying their best. I believe these people are paying $100,000 in municipal taxes a year, something which Rochdale is not doing at all.

An hon. Member: What about the finance report on that one?

Mr. Danson: I think these people at Neil Wysick should be treated with sympathy and we should ensure that they can carry out the job which they are determined to do.

I suggest that we back up the minister in his efforts to get Rochdale cleaned up as quickly as possible under the law, and we should back up the efforts of the receiver. I should like to see an alternate use made of this building. It is a well constructed building which has been damaged badly, but it can be refurbished as the minister said when he was quoting from his own letter. I would like to see us carry on another type of experiment that has been highly successful, namely, the setting up of senior citizens' housing such as has been done in the central part of Toronto. We have excellent senior citizens' housing on Yonge Street downtown in the core of the city. The other day I met an old army friend who is living in one of these homes and he told me how delightful it was to be able to walk to the shops across the street, or down to the military institute to see his friends, and to be able to live in dignity at a nominal rent.

I should like to see Rochdale converted to housing for senior citizens. I know it can be refurbished. This would be a constructive use for it. Our experimentation in this area has paid off. I have not heard of any drug or sex scandals in senior citizens' homes to date, and I think we should take our chances on that. We are deeply concerned and I know the minister is concerned. I hope we find a technique within the law to get this place cleaned out. It is a cancer on the whole student movement in Canada, and certainly in Toronto.

We will not eliminate all the problems. The drug problem will still exist; the slothfulness will still exist. It will not be institutionalized, and we will not be subsidizing it. Society will pay for it in other ways, but that is not the object of Rochdale College. It should not provide low-cost housing. I read a report in the newspaper that a woman said, "You cannot move us out, and I cannot afford to live anywhere else." That is a tragedy, I admit, but that is not the object of Rochdale College. I do not think there is a simple and easy way to solve this problem. It must be done forcefully and within the law. We must make proper, constructive use of this facility to which a large amount of federal funds has gone, and other funds as well.

In a sense, the city of Toronto has been forced to forgo taxation. I think the place should be put back on the road and put into constructive social use such as we have seen in the case of other senior citizens' homes of which we do not have nearly enough. I think we have an opportunity here to support the minister and the actions he takes to see that this place is cleaned up and is put to constructive use. The minister refers in his letter to "alternate use". I suggest that the best alternate use would be senior citizens' housing, for example of the type on Yonge Street opposite Eaton's College Street which is run almost like a private hotel for senior citizens at nominal rents, which gives them a new lease on life and allows them to live as complete human beings.

I believe this is what government encouragement and government loans are for. I do not think we should get out of co-operative housing for students when it is run responsibly. We have learnt a lesson, and if we experiment again in this area we should not leave ourselves open to the sort of abuse which has taken place in Rochdale College. It is a place that all the people I know in Toronto have condemned, and I think all the people of Toronto would support this clean-up and changeover.

● (1800)

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I think the theme of today's debate should be, "Oh what a difference a private member's motion can make." The minister's letter of March 1 is an excellent one: it sets forth the points very clearly; it demonstrates the ability of the minister at long last to take some action. The tragedy of it all is that that letter could have been written in exactly the same terms a year and a half ago.

The parliamentary secretary to the minister, who is in the House at present, wrote a letter in which he said the interim receiver was appointed on September 14, 1972. At that time the Clarkson company was appointed interim receiver and manager. Notwithstanding the fact that the action was still proceeding and no foreclosure order had been made, it would have been entirely in order for the first mortgagee, in this case CMHC, to indicate its views to the interim receiver—those views which were indicated very clearly in the letter of March 1, 1974. I point out that

the original default by Rochdale College on the mortgage took place as of March 1, 1969. Again I ask, why was there the delay in the appointment of the interim receiver, which did not take place until 1972?

I wish to place on the record some comments by other members of the government about conditions at Rochdale College. I think we have had some candid comments today, not only by the minister but also by the hon. member for York North (Mr. Danson). What I think we should have listened to, and what I intend to read into the record, are comments of the Solicitor General (Mr. Allmand) in response to a question I put to him in the House last July. I quote as follows from a letter which he wrote to me on July 17 last:

> Since its inception in 1968, Rochdale has been a continual haven for drug traffickers and a source of concern to law enforcement agencies in the area. The RCMP has, among its major interests, the enforcement of drug laws. It has found that since Rochdale's very beginning drug trafficking has been prevalent within the college.
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> Initially, the RCMP conducted many investigations in Rochdale. However, because of the obstructionist tactics carried out by the residents, these investigations became costly in terms of time and manpower. Tactics such as clearing the building by pulling the fire alarms as the police enter the building, which prevents police from connecting the drugs found with the occupants, are designed to frustrate any police investigations aimed at the residents of the college. It became apparent that these searches were exercises in futility as the amount of energy expended did not justify the results.

In a following paragraph he wrote:

> The Metropolitan Toronto Police Department established an eight-man section in January, 1973, to conduct investigations concerning Rochdale and in the first four months 700 persons were arrested regarding drug offences. Many of these arrests were for samll possession amounts. However, a considerable number involved large quantities. The continuing appearance of weapons and arms occurs more often when dealing with persons from Rochdale College than in any other investigations.

As the representative for the riding of St. Paul's, Which is just across Bloor Street from Rochdale College, I want to speak out on behalf of the residents living in the south end of St. Paul's who on a daily basis must put up with conditions described in this letter form the Solicitor General. This is a very real concern for residents whose neighbourhood has been infiltrated by people not only possessing and using drugs but trafficking in them in large amounts. It is a serious concern.

I appreciate that I do not have much time available, Mr. Speaker, but I do want to ask the Minister of State for Urban Affairs (Mr. Basford), or in his absence his parliamentary secretary, to tell us where is the report of the financial investigation into co-op housing, namely, Rochdale College and Neil Wysick College. The parliamentary secretary will remember his comment on behalf of the government on July 23 last wherein, in response to a question from the hon. member for Peace River (Mr. Baldwin), he indicated that the report by CMHC, which had been in the making for four or five months, would be made available to members of the House. He went on to say that it was his understanding that when the inquiry, which was started in February, 1973, was completed, its report would be available to members of the House. Again I ask, where are those reports?

Again the minister has said today that they have done all within their power. I suggest that that is not true, because until we have seen the financial investigation reports we do not know what charges could possibly be laid under the appropriate criminal legislation. We do not know what disciplinary action could be taken against architects and engineers involved in collusion, in rigging of tenders and in fraudulent practices. We, representing the public of the Toronto area, have a right to see that information and we have a right to see it at this very time.

I want to say that I was disappointed—

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

At 6.08 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BRITISH NORTH AMERICA ACTS 1867 TO 1965

PROVISION OF REPRESENTATION IN THE SENATE FOR THE NORTHWEST TERRITORIES AND THE YUKON

Hon. Allan J. MacEachen (President of the Privy Council) moved that Bill C-11, to amend the British North America Acts, 1867 to 1965, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

He said: Mr. Speaker, the purpose of this bill is easily stated: it is to increase the size of the Senate to permit the appointment of one senator for each of the territories which requires, as indicated, an amendment to the British North America Act. This increase in the representation of the territories in the Parliament of Canada will, hopefully, provide additional opportunities for the expression of a northern viewpoint in the Parliament of Canada.

Mr. Nielsen: Hah!

Mr. MacEachen: This will add to the northern viewpoint.

Mr. Knowles (Winnipeg North Centre): Is the minister keeping a straight face while he says that?

Mr. MacEachen: While the two territories have a relatively small population—they comprise almost 40 per cent of the geographical area of Canada—the ratio of Indian and Eskimo people to the total population of the two territories is much greater than that of any of the provinces.

I would mention to members of the House that the appointment of territorial senators is not unprecedented. Senators were appointed to represent the Northwest Territories during the earlier years of settlement and they continued to sit for the territories until the provinces of

Alberta and Saskatchewan were created. The question of territorial representation in the other place has been raised from time to time in this chamber. Private members' bills were introduced in the House of Commons in 1960 and in 1962, in 1972 Bill C-126, and in 1973 Bill C-12, to provide one senator from each territory. So the matter is not before the House for the first time; it has been brought to the attention of the House in the form of private members' bills.

Mr. Nielsen: Many times.

Mr. MacEachen: The issue is clearcut and straightforward. It does not require any further explanation from me in speaking on second reading of the bill.

In conclusion, I might mention that the motion for second reading refers consideration of the bill to the Standing Committee on Indian Affairs and Northern Development. I think, on reflection, that it might be better to refer the bill to the Standing Committee on Justice and Legal Affairs. It is a constitutional amendment and it might be more appropriate for that standing committee to deal with this bill. However, the motion that was put down does refer to the Standing Committee on Indian Affairs and Northern Development, and for that reason I am suggesting that the House might agree, with consent, to refer the bill to the Standing Committee on Justice and Legal Affairs.

Some hon. Members: Agreed.

● (2010)

Mr. MacEachen: I conclude by saying that the question of representation of the territories in the House of Commons is not touched on in this bill. That question can be, and will be, dealt with in the general consideration of the whole question of representation in the House of Commons which will be continued in the Standing Committee on Privileges and Elections. So I remind hon. members of the House that there is a separate opportunity for dealing with the question of the representation of the territories in this chamber. This bill deals with the Senate.

Mr. Nielsen: What other business is listed for consideration, if we should finish this bill?

Mr. MacEachen: I respond to that question by saying that if we deal with this bill, we will call the competition bill tonight.

The Acting Speaker (Mr. Boulanger): Order, please. May I ask hon. members whether they agree to referring this bill to the Standing Committee on Indian Affairs and Northern Development?

Some hon. Members: Agreed.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, this must be a night of great satisfaction for the hon. member for Yukon (Mr. Nielsen). He is a veteran member of the House of Commons and throughout much of his tenure here he has had a private member's bill standing on the order paper in his name entitled "An act to amend the British North America Acts, 1867 to 1965". That is an amendment to provide for representation in the Senate of Canada for the Yukon and Northwest Territories. Tonight we are dealing with a government measure bearing exactly the same title and designed to accomplish exactly the same thing. It just goes to show that if you have tenacity, endurance, stamina and perseverance you can eventually persuade even Liberals to see the light.

We in this party welcome Bill C-11 and hope that it will have quick passage through all stages of debate. Just over a year ago, on February 20, to be exact, we debated this very matter when the private member's bill of the hon. member for Yukon was before the House. Although there was the customary tendency on the part of government members to talk the bill out at that time rather than referring it to committee, there was some indication even then on the part of hon. members opposite that they supported the measure in a limited way. For instance, the hon. member for Kamloops-Cariboo (Mr. Marchand) spoke in favour of it but made his support of it conditional upon there being over-all Senate reform. As he put it at that time, "I do not feel it gets to the root of the problem of Senate reform." So he hesitated in supporting it. Further, the hon. member for Windsor-Walkerville (Mr. MacGuigan) said, when speaking about Senate representation from the northern territories, "This matter cannot be considered in isolation from other changes which should be made in respect of Senate representation."

There may be some justification for those views, Mr. Speaker, but better one small step at a time than no step at all. That is why I welcome the government's measure tonight. I know that this time the hon. member for Kamloops-Cariboo and the hon. member for Windsor-Walkerville will give the bill their wholehearted support. If the government would only take the same approach to other problems, such as the high cost of living, it might be able to arrive at solutions step by step instead of remaining immobile. I am sure the government will appreciate that we in this party, as in the case of this bill and that of the hon. member for Yukon, will continue to suggest the route the government should take until such time as our party forms the government.

I hope this bill receives the unanimous support of all parties in the House of Commons so that we can indicate to Canadians living north of the sixtieth parallel that the Canadian parliament does not discriminate against northerners. It is fundamentally important for us to remember that the Parliament of Canada is composed of two chambers. In this House the Yukon and Northwest Territories have been accorded representation since 1903 and 1949 respectively. In the other place the territories have been denied representation. That has been a long-standing denial of justice and equality.

Some in this House advocate the abolition of the other place.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Miss MacDonald (Kingston and the Islands): Certainly, no one questions their right to put forward that proposition with whatever vigour they can muster. However, I would say to them that so long as there is another chamber which is part of the Canadian parliamentary system, the northern territories should not be denied access to it.

I hope that members of the party to my left, particularly the hon. member for Northwest Territories (Mr. Firth), will see fit to endorse this particular measure despite their long-term goals, otherwise they will be grossly discriminatory against and unfair to Canadians who reside in the two-fifths of Canada north of 60. The north deserves additional representation in the Parliament of Canada.

Hopefully, when redistribution of the make-up of this House takes place some arrangement will be made to compensate for the tremendous geographical distances which must be covered. One way in which the northern territories can be assured wider representation in the near future is by way of appointment to the Parliament of Canada.

Many northerners could bring to parliament additional expertise in the social, economic and cultural problems of the north. It would be beneficial to us all if we were exposed more frequently and fully to the views of northerners. Someone like the late Knut Lang would have made a singular contribution. There are many others who could contribute. There is always some debate as to the population figures north of 60. We know that many northern residents are native, that is, Indian, Metis and Innuit. Last year, when speaking to a similar bill in the House, I stated that I felt it would be particularly fitting if a representative of the native peoples could sit in the other place as a representative of one or both of the territories. The problems of these people of the north are many, and they deserve our attention and concern.

I hope, Mr. Speaker, that this bill will receive early implementation and that the appointment of two northerners to the other place will be carried out without delay.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I am pleased to speak on this bill, but was somewhat surprised to hear the hon. member for Kingston and the Islands (Miss MacDonald) give credit to the hon. member for Yukon (Mr. Nielsen) for its underlying idea. It seems to me that it was considered in the joint Senate and House of Commons committee which looked at recommendations for constitutional change. I have spoken out in the House about the situation in the Senate and I will continue speaking out until such time as the situation changes.

I was happy to hear the remarks of the President of the Privy Council (Mr. MacEachen) regarding representation for the Northwest Territories. That, I think, is most important. In the last session I introduced bills which would have provided for more representation but certainly not for appointees. This afternoon we debated the bill which would abolish appointees to the Council of the Northwest Territories. This bill seems to be a step backward in that it provides for appointments to the Senate. I have very serious doubts whether any self-respecting northerner would accept the appointment of senator.

● (2020)

Some hon. Members: Hear, hear!

Mr. Firth: As a matter of fact, should this bill pass through the House and a northerner is appointed, it may be necessary to bring him here at gunpoint.

The message I get from this bill with regard to further appointees seems to point to the fact that the Liberals have had some difficulty in electing members from the north. The situation seems to be: If we can't elect them, let's appoint them. We appoint members from the Northwest Territories administration to the information and liaison office in Ottawa. This costs more money than having another member. He does not have to do very much, but at least the government has him here. They want to appoint a chap from the Yukon who is not even able to win the nomination for the Liberal candidacy in the last election. They want to make another position and appoint him as a senator.

I repeat, I doubt very much whether any self-respecting northerner would accept that position. The fact is the Northwest Territories deserve more representation in this House. This bill is somewhat like a joke that is being played on the people of the Northwest Territories—and we do not think it is a very funny joke.

Mr. Erik Nielsen (Yukon): Mr. Speaker, the fact that I caught you in the act of rising tells me that you are an incurable optimist. I welcome this bill. The hon. member for Northwest Territories (Mr. Firth) referred to the hon. member for Kingston and the Islands (Miss MacDonald) giving me credit for this idea, I think he called it. He left the inference with the House that the idea originated with the Joint Senate and House of Commons Committee on the Constitution which traveiled to other parts of the country as well as the Yukon and Northwest Territories. They held hearings in Dawson City, Whitehorse and Watson Lake. Let me say to him through you, Mr. Speaker, that many years before the joint committee of the Senate and House of Commons started sitting on the question of the constitution of Canada, this bill of mine had been introduced and debated. Perhaps it is because the hon. member for Northwest Territories did not read *Hansard*, or was not here at the time, that he fails to recognize the fact that I have on an almost annual basis introduced a bill which would make the two northern territories truly representative in the Parliament of Canada.

As I understand it, the Parliament of Canada consists of two Houses. In each of those Houses, this place and the other place, every part of Canada has representation. Until the minister's very worth while bill was introduced this evening, the only exception has been Canadians living above the sixthieth parallel. Canadians of white origin, Canadians of Indian origin and Canadians of Inuit origin are all Canadians. I quote the remarks made earlier today by the Prime Minister (Mr. Trudeau) in another debate espousing the principle that all Canadians should be treated equally. It is not equality of treatment to have lack of representation in both Houses of parliament for all Canadians. It is that simple and that logical. My only regret is that the matter had to wait so long and we had to be in a minority situation before the government was brought to the realization that the proper approach would be representation in both Houses.

As the hon. member for Kingston and the Islands said, at one time the north was represented by one member of parliament. I ask members here this evening to consider the fact that one member represented some 1,700,000

square miles of Canada from 1903—one member was charged with that responsibility—until 1949. One member represented the Yukon and Northwest Territories. In 1949 the electoral boundaries were readjusted and the Yukon and Northwest Territories had one member each.

To put a fair connotation on history, the Liberal Party had no difficulty electing a member for the Northwest Territories and the Yukon prior to 1949. Certainly my predecessor had that party affiliation until 1953. When the Northwest Territories subsequently became entitled to a member, it too was represented by a Liberal member. Indeed, until the advent of the election of the present hon. member for Northwest Territories it had been represented solidly by a member of the Liberal Party save and except for one intervention by a member of this party from 1963 to 1968.

Now that those matters are set straight, with regard to the argument that the party in power has difficulty electing people and must therefore appoint someone, I do not think that is a fair observation. It certainly is not accurate. The minister introducing the bill—

Mr. Barnett: May I ask the hon. member whether the Liberals will try to do better in the Yukon next time around?

Mr. Nielsen: As they say, Mr. Speaker, hope springs eternal. As another matter of historical observation, since 1903, some 71 years, we have had a representative in parliament. On the Yukon side, at any rate, the Liberal Party can claim possession to 13 of those 71 years. Therefore, they may have a little more difficulty because of the inbred spirit of independence, free enterprise and initiative that we in the Yukon give as our principal reason for being there.

Mr. Knight: The Senate represents initiative?

Mr. Nielsen: I know the hon. member to my left is expressing the views of the grey eminence of his party, the hon. member for Winnipeg North Centre (Mr. Knowles), when he puts down the Senate. This is where I think the hon. member for Northwest Territories has really been snowed by the hon. member for Winnipeg North Centre and others who share his views. For the representative of Canadians in the Northwest Territories to stand in his place and tell us that his constituents do not want to be represented in the whole of parliament is beyond my comprehension.

We have a system. Some of us believe the Senate should remain as it is. Some of us believe that it should be abolished. I know the position that the NDP adopted as a party stance, but it ill behooves the hon. member for Northwest Territories to say that as long as we are saddled with the concept of two Houses in a federal system, we do not want any part of that full entitlement which all Canadians have. That is absolutely beyond comprehension. I think the chickens will come home to roost regarding that statement and the hon. member's stance, come the next election.

[Mr. Nielsen.]

• (2030)

The minister has made a common error of lumping together the statistics of the two territories. He did not quote them separately. He lumped the economics together, too. That is the way the government treats them because it is unthinkable for those who live in ivory towers in Ottawa to accept anything less than standardization in this age to place everyone on a common, socialistic level. In other words, in spite of a history which goes back to 1896 and earlier, in spite of the growth of political institutions, in spite of independent economic growth, in spite of differing geographical considerations, the government insists on lumping together the two territories because, in its eyes, it is expedient to do so.

For example, the minister said the Indian and Innuit population of the two territories is higher, in relation to other inhabitants, than in the provinces. He might be close to being accurate had he referred only to the Northwest Territories, but his statement is far from accurate in the case of the Yukon. It would be truer to say that the ratio there is the same as it is in the provinces; or not very much higher, at the most. So I have very little sympathy with this argument which is constantly advanced by the government.

I turn now to another matter on which the minister might care to comment in his closing remarks. As I understand it the joint committee of the House and the Senate recommended that legislation be implemented to provide Senate representation for each of the territories. It is also my understanding—and this might well be inaccurate—that the BNA Act requires that representation in a province shall not fall below two members for each position in the Senate. I understand, too, that under the Interpretation Act the territories are interpreted as meaning provinces; they are included in the term "provinces". I am wondering whether constitutionally, if we pass this legislation, the government would be obliged to bring in a bill which would not only provide for increased membership in the Senate but also for increased membership in this chamber. This problem was raised during the sittings of the joint committee, but I thought the minister might cover the point in his closing remarks.

Before the present hon. member for Northwest Territories took his seat in this chamber, when that constituency was represented by Gene Rheaume, he and I vigorously asserted the need for two members in the House of Commons to represent the Northwest Territories. I am not advancing this view with respect to the Yukon, but I certainly do so with respect to the Northwest Territories where an extra seat is desperately needed. It is impossible to travel in the far north without appreciating the vastness of this land. Here is a constituency almost 1,300,000 square miles in extent. Do hon. members realize how long it would take to get around it? My own route takes me 26,000 linear miles and I estimate the hon. member for the Northwest Territories would have to travel between five and eight times that distance to visit the communities which I believe a member is obliged to visit at least once between elections.

I have heard arguments advanced in connection with possible changes to the Canada Elections Act and expense allowances made available to candidates. If anyone can

tell me how in a 60-day period the hon. member can be expected to travel through that vast expanse of 1,300,000 square miles without spending a good deal of money, far beyond what the hon. member for Scarborough West (Mr. Harney) would spend, my understanding would be expanded. It is simply impossible. Thus, I was glad to hear the minister's, on introducing the bill, leave the inference that the government was at least giving favourable consideration to introducing legislation which would give the Northwest Territories an additional member.

The hon. member for Northwest Territories appears to be opposed to the principle of a senator being appointed from the Northwest Territories because, he says, he is opposed to appointing people to any legislative body. I admire that assertion as far as it applies to the Council of the Northwest Territories. I would accept nothing less myself.

Mr. Knowles (Winnipeg North Centre): But you would accept a seat in the Senate.

Mr. Nielsen: I would not accept a seat in the Senate. I can tell the hon. member that immediately, unequivocally and without reservation. I am not so sure about the desires of the hon. member for Winnipeg North Centre (Mr. Knowles) in that regard, because he has colleagues in the other place thanks to the present Prime Minister (Mr. Trudeau) and the previous one.

An hon. Member: Who are they?

The Acting Speaker (Mr. Boulanger): Order. I think we are now getting away from the bill. The hon. member should address himself to the Chair, and if other hon. members wish to ask him questions, he should agree to give way or not.

Mr. Nielsen: I said at the outset I would accept any or all questions—from the seat or from the feet, it makes no difference to me. We were discussing this bill and the question of Senate appointments. The question was asked, who were the colleagues of the hon. member for Winnipeg North Centre, and I was about to reply when Your Honour intervened. I can recall a very vociferous member of this House during my early days here, in the form of the hon. member for Assiniboia. He was the leader of his party and he is now in the other place, thanks to the government on the benches opposite.

Mr. Knowles (Winnipeg North Centre): He is no colleague of ours.

● (2040)

Mr. Nielsen: Let me put it this way: he used to be a colleague and he used to be leader of that party. Perhaps that last remark of the hon. member for Winnipeg North Centre explains his demise.

What I was about to deal with was the rather fallacious argument of the hon. member for Northwest Territories. I agree that there should be a wholly-elected council in both territories and I agree that there should be a wholly-elected executive committee. But members of the other place are not elected. We have this system written into our constitution, whether we like it or want to change it, and the only way we can attain any northern representation in the other place so as to make the north wholly representative in this Parliament of Canada is by means of appointment.

I, for one, applaud the opportunity to double the representation from my constituency in the Parliament of Canada, and that is what it would mean. I should think the hon. member for Northwest Territories would also welcome eagerly the opportunity to double the representation of his constituency in the Parliament of Canada by adding a member to the other place, and that is exactly what this would mean.

While the minister said it much more briefly than I have, the truth of the situation as he has pointed it out is indisputable. I am wondering about the situation, though, as I have heard a number of rumours in the Yukon, although I do not know whether similar rumours have been making the rounds of the Northwest Territories. These rumours sometimes have a habit of coming close to the truth, and I wonder whether the minister has any knowledge that consideration has already been given to possible appointees from those territories in anticipation of the support this party will give this bill. Being a government bill, it is going to pass.

For instance, there might be an appointment of a native person from the Northwest Territories, or one of Inuit origin. There are rumours in the Yukon that perhaps one who has suddenly become closely associated with the Minister of Indian Affairs and Northern Development (Mr. Chrétien) might be considered. There is some small dissatisfaction with the commissioners in both the territories, and the rumour is abroad that perhaps the only way we can get rid of these unpopular people in the north is to shoot them off to the Senate.

Mr. Barnett: Is that why the hon. member is supporting the bill?

Mr. Nielsen: No, I support the bill because it means doubling representation from the north in this Canadian parliament and because while we have this system we should be represented in both Houses. Why in the world should Canadians living above the sixtieth parallel be left out? Other provinces are represented in the other place, so why should not the two northern territories have equal representation with other Canadians? The NDP may look at this as something less than a right, but my view is that if we are going to participate in parliament as we now have it, and participate fully—which means full representation—such full representation has been too long in coming.

I am not often known to compliment any minister, let alone a Liberal minister or anybody in the Liberal Party, but I am afraid I am weakening. I am afraid the urge is upon me to compliment the minister and his government for bringing in this measure tonight, and that is a rare thing for me to do. This is a final recognition they have come to. Perhaps they have been dragged, kicking and screaming, to the conclusion that there is something in the bill that has stood in my name for so many years in respect of full representation. That realization is upon them and they have at last placed before this House a measure which will accord true and full representation to all

Canadians including those living above the sixtieth parallel.

I urge the hon. member for Northwest Territories to reconsider his position because I do not think the views expressed by him tonight are in any way shared by his constituents.

Mr. Bill Knight (Assiniboia): Mr. Speaker, after listening to the hon. member for the Yukon (Mr. Nielsen) speak in favour of the bill to establish members in the Senate representing the Northwest Territories and the Yukon territory in the Parliament of Canada, I began to feel that the hon. member was preaching for a call. I wonder what makes this member so interested in creating two appointed positions in that archaic institution which has no real justification in respect of actions, policies and responsibilities of parliament. Surely when the hon. member for Yukon preaches for a call to the other place, as he has tonight, this government made up of Grits ought to consider withdrawing its bill. Surely the Indian and Eskimo people, as well as citizens who have left my area and other parts of the country, in a sense to take part in an adventure in the north, have the right to expect elected representatives in this parliament under our democratic system, rather than some kind of paternalistic appointment to the other place. What a preposterous suggestion!

The province of Saskatchewan has known the kind of discriminatory action that has taken place in the context of national policy since it became a province, yet surely it should expect six representatives in the other place to give them the logical representation about which the hon. member for Yukon has spoken tonight. Who are these representatives? I suggest they are a bunch of doddling fools who sit in the other place and collect pay cheques. They sit there regardless of their background and never represent the interests of Saskatchewan unless they do so in respect of some select corporate interest in that province.

An hon. Member: Senator Argue will not like you.

Mr. Knight: The hon. member for Yukon can make his appeal for a call to the other place but I suggest to him that, in terms of his action in this chamber, he is a relatively active member and I would hate to see him go to heaven so early.

Mr. Nielsen: I don't think I will ever make it there.

Mr. Knight: The question of redistribution was eloquently introduced to the committee on privileges and elections by the government House leader. The principle outlined by that hon. gentleman gives us the framework within which we can assure representation of rural and geographic areas whether they be of the magnitude of the constituency of the hon. member for Northwest Territories or of the magnitude of the constituency of Assiniboia. The people in those areas have the right to representation in parliament, particularly in this House where the decisions are made. This is the kind of representation they must have in order that their views can be expressed in this place and, perhaps more importantly, in order that their representative can communicate with them.

[Mr. Nielsen.]

I suggest that if we send a man to the other place, we might as well be sending him to Florida. As a matter of fact, some of them spend three or four months a year there anyway. We might as well be sending a man to the Turks and Caicos Islands.

An hon. Member: That is an unfortunate analogy.

Mr. Knight: I make that suggestion because this in no way gives representation to the people of the north. As a young man I used to listen to speeches made by the right hon. member for Prince Albert (Mr. Diefenbaker) when he came to our community. I am quite prepared to admit that I used to sit in the back rows and listen to him speak about his vision of the north. Maybe in the context of that time he was ahead of us in that regard, because now as we enter the latter part of the 1970s and the early 1980s we are in a period when a vision of the north is quite applicable. The people of these areas expect to have the kind of representation that can speak out and protect their interests. They do not want representing them people who have no legislative power. They want people who are in this House of Commons.

● (2050)

Mr. Speaker, the Senate is defunct and will continue to be defunct even if the hon. member for Yukon should be in it. The people of the north, like the people of the west, the maritimes or smaller regions of this country, expect representation by voice in this House of Commons so that their representatives could be recalled should they disagree with the policies they espouse. Further, the hon. member said that there is a rumour that this Liberal government—surely he has been watching this Liberal government for a long time—might consider shooting the commissioners off to the Senate. I am sure the people of the Northwest Territories and the people of the Yukon are not interested in having a government, I do not care what kind of government or what party, with the power to pick two men who may by entirely unpopular in the hon. member's area and appoint them to the other place.

Mr. Nielsen: Mr. Speaker, will the hon. member permit a question?

Mr. Knight: If the hon. member wishes to ask a question later, I will certainly accept it. I believe there is a rumour that a certain individual has been going around parliament suggesting on behalf of the Liberal Party that the hon. member might be appointed to the other place. It is a possibility. The hon. member for Kingston and the Islands (Miss MacDonald) espouses opinions like a Tory, but she also espouses the position of being some kind of progressive, or at least she leaves that impression, and then comes here tonight and in an utterly impossible turnabout position takes regressive action, after this afternoon supporting the idea of an elected council, and supports the idea of appointed senators from the Northwest Territories. The hon. member, in her progressiveness, suddenly found out she is not only progressive but conservative at the same time.

Miss MacDonald (Kingston and the Islands): Indeed I am.

Mr. Knight: I ask the Conservative members in this minority parliament to stop this kind of bill. They call on us to support what they and the Liberal minority are going to support. In this position of balance of power they are going to wield the power to give two individuals authority over their people and appoint them to the other place, rather than as responsible elected representatives from the northern areas.

In my view, in this decade this northern area will become the focal point of almost all the political, economic and social controversy that there will be in this chamber. This will develop because of the potential mineral wealth and resource development in the area. With that in mind, and having in mind the interest of the people who live there, we cannot allow ourselves to be placed in the position where we appoint people who are not responsible to those who live in these areas to look after their interests. I say that in the next decade our northern area will be of such significance that in this chamber the hon. member for Yukon and the hon. member for Northwest Territories, or whoever may come after them, may well hear more debate in respect of their areas of the country than we today hear about boxcars. I believe that is the kind of discussion this nation will have. What the right hon. member for Prince Albert spoke of as a vision of the north will become more and more applicable in the next decade.

The people who live there now, those who have made it their way of life, and those whose way of life it always has been, should have responsible and elected representatives in this House who can be recalled, rather than two appointees sitting in Ottawa for six months, sitting in Florida for four months and then spending two months worrying about the people of the north.

Mr. Nielsen: Mr. Speaker, before the hon. member resumes his seat, may I ask him a question?

The Acting Speaker (Mr. Boulanger): Does the hon. member agree?

Mr. Knight: I agree.

Mr. Nielsen: Since, whether we like it or not, we have the other place, since other parts of Canada are represented in the other place and since it is not yet abolished and is part of the Parliament of Canada, would the hon. member deny the two northern territories representation in this part of the Parliament of Canada until such time as the other place is abolished?

Mr. Knight: Mr. Speaker, does the hon. member know that this party is not represented in the other place? Regardless of what he may think, the other place is not representative of the people as a whole, no matter whether they are appointed from the province of Saskatchewan, the Northwest Territories or the Yukon. The best thing we can do for the ordinary people of this country is to abolish that place once and for all.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, if this little debate we are having today does nothing else, at least it will put this chamber in its proper perspective because, very obviously, while the bill we have before us is in the name of a member of the government, its only defenders appear to be sitting in what are sometimes called the official opposition benches. I think that illustrates very well the point that when it comes right down to it, in parliament the Liberal-Conservative combination sits in one part of the House and those of us who sit over here really form the opposition.

Be that as it may, the bill was introduced by the President of the Privy Council (Mr. MacEachen), and in the few remarks he made when introducing the bill he referred to the fact that this was not the first time in the history of Canada when it had been proposed that there should be in the other place representatives from the Northwest Territories. That brought to my mind the fact that what is sometimes referred to as the queen city of the plains was once the capital of the Northwest Territories, and that my mother went to normal school there in those days in order to learn to be a teacher in the Northwest Territories. I suppose, although I do not remember her ever mentioning it to me, that she had the benefit of the representation at that time of a senator from the Northwest Territories.

• (2100)

In due course, not very long before I arrived to become a Canadian, the provinces of Alberta and Saskatchewan were born and the idea of having members from the Northwest Territories in the second chamber apparently disappeared at about that time. In my humble observation I have not noticed that either of the territories has suffered materially or spiritually in that interval through lack of an official voice in that place on the other side of this building.

The hon. member for Yukon (Mr. Nielsen) was making a great deal about the idea of a wholly representative Parliament of Canada and about full representation for the people of the territories. This brought to my mind the question of just what is representation in the other place. The province from which I come has six senators, so does Alberta, so does Saskatchewan and so does Manitoba. If one wants to suggest that British Columbia has full representation in the other place, I might be inclined to say that that was a satisfactory representation, but it is certainly not full representation on any geographical or population basis.

It strikes me as rather strange that in the approximately 20 years since I first came to this chamber, to the best of my recollection I have never heard one member of any party from British Columbia, from Alberta, from Saskatchewan or from Manitoba stand in the House and complain that the western provinces were not properly represented in the other place. To me, this gives a rather hollow ring to the eloquent plea of the hon. member for Yukon about full representation for the people of the territories, because obviously—and this should not be lost upon the House—the question of representation in the Senate is a small thing to the people of the four western provinces since not one member from any of those provinces, to the best of my recollection, has ever seen fit to rise and complain about any degree of underrepresentation in the other place.

I did a quick calculation out of curiosity and, based upon the fact that New Brunswick has ten honourable

senators in the other place, I asked myself what full representation in that place would be for the western provinces. On a rough calculation, based on the 1971 census and on the same population ratio as New Brunswick, I found that British Columbia would have 34 senators, Alberta 25 senators, Saskatchewan 14 senators, and Manitoba 14 senators, making a total of 87. When I hear the hon. member for Yukon and his colleagues in the Conservative Party suggesting that there should be 87 senators from the four western provinces, then I will begin to think they are doing something more than speaking tongue in cheek about full representation.

I thought I would like to take part in this debate briefly to make clear that so far as I am concerned, the hon. member who tonight has shown the soundest common sense in stating the needs and the interests of the people of the Northwest Territories and the territory represented by the would-be senator for the Yukon is my colleague, the hon. member for Northwest Territories (Mr. Firth). He put this whole matter into perspective when he suggested that it is not wasting more than five minutes of the time of the House to say: a plague on the whole idea.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I listened with a great deal of interest to some of the speeches that have been made this evening concerning the provision in this bill for senate representation for the Northwest Territories and the Yukon. I think that there is a fundamental point at issue here which members of the NDP who have spoken against the legislation do not seem to understand. If you wish to have a region which is as isolated as the Northwest Territories or the Yukon brought into the full stream of public politics of your country, it seems to me you must provide adequate access to all institutions of your government.

The Senate, whether or not the NDP likes to admit it, is part of the government of Canada. Senators are members of parliament. In spite of the fact that my friends are huffing and puffing and threatening to blow the house down, the Senate is there and is likely to outlast the NDP as a political force in this country. Furthermore, even when the House of Commons and the Senate had a joint special committee to look into the constitution of Canada, one of the things that was most surprising of all was that there was very little criticism of the Senate, and indeed there was a multitude of proposals not to weaken the Senate or do away with it but to strengthen it and make it a more powerful force in Canadian politics. As a result of some of the recommendations which were made by that committee and other hon. members who have put forward bills from time to time, the government has decided to implement the recommendation to provide Senate representation for the Yukon and Northwest Territories.

The first point I started out to make was that you have to provide adequate access to the instruments of government, the Senate being one of them. Far more important, or as important to me as the question of adequate representation, is presence by the residents of the north in the civil service of Canada. One of the things that concerns me is that if any particular region is to be properly represented at all levels of the decision-making process, it must have representatives in all the facets that go to making decisions which affect the country. We just cannot have a system where the government is run by a particular group of people, where the civil service is not representative of the various groupings that make up our country—and this is only the beginning of a new thrust in government policy to bring the Northwest Territories and the Yukon more into the mainstream of Canadian life.

The President of the Privy Council (Mr. MacEachen), who introduced the bill, made the point that the possibility of additional seats in the House of Commons for the Northwest Territories would be discussed during discussions on the redistribution of parliamentary seats, a matter which is about to be again before the Standing Committee on Privileges and Elections. I would think the representatives of those areas now in the House of Commons would attend those meetings and press their case as best they can. I am sympathetic to the idea of an additional seat for the Northwest Territories.

• (2110)

Mr. Nielsen: Would you vote for it?

Mr. Reid: I think I would vote for it, and I think there is a possibility of such a situation coming about. However, I think it is totally absurd that, while we are discussing improving the position of the north in the House of Commons, we do not take advantage of the same opportunity to improve its position in the other legislative institution of government, the Senate of Canada.

Whether the hon. member for Assiniboia (Mr. Knight) likes to admit it or not, the Senate does have equal legislative power with the House of Commons except for the power to introduce money bills. That power belongs only to the House of Commons. But under our constitution the Senate can and has turned back money legislation that was introduced in this House. I refer the hon. member for Assiniboia, who is a young man, to the customs and excise measures turned down by the Senate in the Diefenbaker years.

Mr. Nielsen: And the parks bill.

Mr. Reid: The hon. member for Yukon (Mr. Nielsen) has properly mentioned the parks bill. The problem the NDP have with this piece of legislation is that it affects one of their weak points. That weak point is their commitment to the doctrine that the Senate does not serve any useful purpose. Sometimes the NDP are reasonably flexible, able to keep in touch with what is going on in Canadian society. But this is one of those items where they have no discretion, no ability to distinguish between what is in existence and what they would like things to be. Therefore, they are against this bill, not because it is a bad bill, not because it does not do what it is supposed to do but because it sticks them where it hurts.

Mr. Speaker: Order, please. I was going to inquire whether by speaking at this time the minister's parliamentary secretary had closed the debate, but apparently he has opened up the debate. The hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I confess that I have wracked my brain to try to

figure out why we are debating this bill tonight. The government House leader realized, and he told some of us, that there was a meeting he had to attend and that that would take him out of the House. He also realized that the Canadian Labour Congress is holding a reception, following the presentation of its brief to the government earlier today, and that that would take a few more members out of the House. He also probably realized that because the Progressive Conservative Party of Canada is holding its annual meeting, that would take all the good Tories out of the House.

Some hon. Members: Oh, oh!

Mr. Nielsen: Why are your fellows not here?

Mr. Knowles (Winnipeg North Centre): There is no secret about it. I just referred to the reception being held by the Canadian Labour Congress. A number of my colleagues are there, and I suspect that there might even be one or two Tories there as well. At any rate, I suppose the government House leader realized that this was not a night for anything heavy or serious and that we might as well take something that would at least make the evening entertaining and amusing. If we have treated this bill in this debate with some derision, Mr. Speaker, frankly that is how we feel about it.

I have enjoyed some of the things that have been said. I liked the attempt of the hon. member for Kingston and the Islands (Miss MacDonald) to suggest that something more important should be under discussion, and she got in at least a passing reference to the high cost of living. But, Mr. Speaker, I suppose that is what this bill does—it will enable two persons to cope with the high cost of living because the two who will get these appointments will receive $18,000 salary per year, and a $4,000 tax free allowance per year until they are 75 years of age.

Mr. Nielsen: And a voice in parliament.

Mr. Knowles (Winnipeg North Centre): Oh come, come—a voice in parliament! My hon. friend has been mouthing that all evening, either from his feet or his seat, and I suppose he takes encouragement from some of the things said by the hon. member for Kenora-Rainy River (Mr. Reid).

I rather like the hon. member for Kenora-Rainy River. He is up there at the top of the western part of Ontario adjoining the province of Manitoba. He sits alongside my hon. friend from St. Boniface. By the process of osmosis he picks up some good ideas and a reasonable measure of decency. But I heard him say tonight that we should bring the north into the Senate so as to bring the north into the full stream of the public politics of Canada. Mr. Speaker, I know I should not call attention to the fact that you yourself are grinning, but you have no choice. The Senate—the full stream of the public politics of Canada? Come, come. Don't even try to tell the senators that; they know better. It seems the hon. member for Kenora-Rainy River has got streams on the brain.

An hon. Member: Streaks?

Mr. Knowles (Winnipeg North Centre): Streaming, not streaking. They don't do that in the Senate.

Mr. Ouellet: Yet.

Mr. Knowles (Winnipeg North Centre): He said that this was bringing the north into the mainstream of Canadian life. Mr. Speaker, even on a night when we are sort of filling in the time because there are not many members here, please let him not give us that line that it is bringing a section of the country into the mainstream of Canadian life by putting it in the other place. How could anyone mouth such a sentiment?

Then he said another reason for wanting to bring the north into the Senate was to give it adequate access to the instruments of government. That is not the way I read the Senate. Mind you, if it is true, if some of the gentlemen and ladies over there, with their corporate directorships and so on, have access to the instruments of government that we do not know about, maybe this should be brought out and discussed in connection with conflict of interest. But, Mr. Speaker, that is not the mainstream of Canadian life over on the other side of this building. That is not the full stream of the public politics of Canada. That is a group of retired, privileged people who enjoy a salary of $18,000 a year and $4,000 a year tax-free expenses from the time they are appointed until they are 75 years of age, and there are a few of them over there who were appointed before that 75 year age limit was established and they go on for life.

Miss MacDonald (Kingston and the Islands): Don't get touchy about age.

Mr. Knowles (Winnipeg North Centre): I am not embarrassed about my age at all; I enjoy it. Not many weeks ago I had a debate on radio with one of my personal friends over there. I call them personal friends even if I do not respect them for being senators. I made the statement that not more than 20 or 25 of them over there were really working at the job and my friend, the senator, did not challenge that at all. We know when we go over there. How many are there? Of course, some good work is done in committees. But you do not need to keep 102 and, after this bill goes through, 104 Canadians on the the payroll of this country just to get some committee work done now and then even by the excellent and hardworking 25 or 30 members of the other place who may be on the job.

• (2120)

Mr. Nielsen: Do you think they will pass this bill?

Mr. Knowles (Winnipeg North Centre): The Senate? Should we have a pool on how long they will take? I will put my nickel on five minutes. Mr. Speaker, now that I have said that, they will probably make sure that they take at least ten.

The hon. member for the Yukon (Mr. Nielsen) has been making a lot out of the fact that the Senate is there and, since it is there, should not the north be in it? Mr. Speaker, you do not correct a wrong by compounding it—by making it worse. If it is wrong in this country to have a body of individuals with authority to take part in the making of laws without any responsibility to the people of this country—if it is wrong to have 102 of them, it is all the more wrong to have 104.

Mr. Nielsen: We can at least make it representatively wrong.

Mr. Knowles (Winnipeg North Centre): I am not sure what kind of representation they would get. In my view there are 25 or 30 over there who work, who are around this building at weekends and at night as I am—but only a handful. By the law of averages, two more will produce about one-third of a person so far as work is concerned.

I think my hon. friend from the Northwest Territories (Mr. Firth) hit the nail on the head when he said we do not want senators from the north appointed without responsibility to anybody; we would far rather have one more MP. I am glad to see there is a going notion in all parties in the House that the time has come for that cry to be heard, particularly in an area the size of that which the hon. member for Northwest Territories represents.

The hon. member for Yukon says, let us have representation. Mr. Speaker, it is an insult to the northerners to say they would be represented if they had two appointed people in the other place. He himself is not sure who they would be and, as is perfectly consistent with the course of history, he thinks these appointments may well be used to kick upstairs some individuals who are difficult and embarrassing. Many times has that been used in the provinces when somebody in the cabinet has to be dismissed. Once upon a time we had a Deputy Speaker whom Mr. King could not stand, so he put him in the Senate.

Mr. Nielsen: A few cabinet ministers, too.

Mr. Knowles (Winnipeg North Centre): It was never done to a Speaker but in my early days it was done to a Deputy Speaker. Do you call that representation, to have a place where the government of the day can put in a couple of people with whom it is having trouble up in the north?

Mr. Nielsen: It is equality of treatment of all Canadians.

Mr. Knowles (Winnipeg North Centre): This business of letting the northerners have all the things we have in southern Canada can be carried a bit far.

Mr. Nielsen: What is wrong with that? We are Canadians.

Mr. Knowles (Winnipeg North Centre): Well, down here we have all kinds of pollution; shall we give that to the north as well?

Mr. Nielsen: You can keep that.

Mr. Knowles (Winnipeg North Centre): We have urban sprawl and traffic problems.

Mr. Nielsen: Keep all those.

Mr. Knowles (Winnipeg North Centre): We have all kinds of things in southern Canada that they do not have in the north. Is that any reason why they should have them? In the same vein, we have Senators. Is that any reason why they should have to bear them as well? Not at all. After all, Mr. Speaker, the hon. member for Yukon who has got in bed with the Liberals for the purpose of getting this bill through—

Mr. Nielsen: I might even go further.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): With the new hairdo that the hon. member has, I do not know what he might do.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, to me it is an insult to the northerners to say that this means anything to them. As my hon. friend with the new hairdo has said, it will be a matter of appointments made by the government of the day and any chance of having real representation just is not in the picture. Even if they did appoint persons, who might be true northerners—and my friend the hon. member for Northwest Territories says that no self-respecting northerner would accept such an appointment—once such a person got there, like all the rest of the senators he would be responsible to no one. No senator in the other place today is responsible to any group of people in Canada. He is not even responsible to the Prime Minister (Mr. Trudeau) who recommended his appointment to the Governor General. He is there on his own until age 75, yet he has his say in the political processes of this country.

I have said it is a bit of an insult. We are not unknown around this place to quote things we have said in the past. I have heard it done by some others and I am reminded of something I said in front of radio and television reporters on the question of the Senate. They were quizzing me quite thoroughly on my opposition to the Senate and I was laying down the law that I had no use for it. Finally a sharp journalist said to me, "Mr. Knowles, would you feel the same way about the Senate if M. J. Coldwell or Mr. Douglas were over there?"

Mr. Nielsen: Or Hazen Argue.

Mr. Knowles (Winnipeg North Centre): The question was put to me the way I put it, Mr. Speaker. The name the hon. member has mentioned does not figure in this story. It does not figure at all as far as I am concerned. He has a new hairdo, too. At any rate, when the reporter said to me, "Mr. Knowles, would you not feel happier about the Senate if M. J. Coldwell or Tommy Douglas were over there?" I simply said, "M. J. Coldwell and Tommy Douglas are two of my best friends and I resent the insult that they should even be thought of for the other place." I submit, therefore, that those of us who have any interest in the welfare of the northern people of this country should look upon this thing with the derision that we are giving to it tonight, that it is an insult to them of the first order.

I am interested in the fact that although there is a direct reference in the bill to a senator being named for the Yukon and the Northwest Territories, it seems to be coupled with that special power that is in the British North America Act which enables the government to pack the other place. It is not necessary any more; one side has such an overwhelming majority there is no sense in packing it. When the Tories did get control of this House, and started appointing people to the Senate, their time ran out before they got anywhere. Even when the Tories were in power they could not get back their majority. But there is a provision in the British North America Act that the government of the day may appoint four or eight extra sena-

tors at any time; it cannot be fewer than four or more than eight. It has to be one or two from each of the regions.

It is interesting that the power to appoint senators from the north is put in that part of the British North America Act that gives government power to make extra appointments over and above the normal number. That is why we are kicking around these figures. We are talking about a Senate which shall consist of 104 members but with a maximum possible membership of 112. These extra eight have never been appointed, but the authority is there.

Mr. Nielsen: That answers the question I raised with respect to membership in the Commons not falling below two for each senator.

Mr. Knowles (Winnipeg North Centre): I thought that was an argument like other arguments I have heard the hon. member for the Yukon make: it did not really hold any water. After all, if there is a senator for the Yukon and a senator for the Northwest Territories, I do not see how you can claim a floor any higher than one for each of those areas. I do not think this provision that would enable the government to appoint two extra senators for the west, two for Ontario, two for Quebec and two for the maritimes or the Atlantics—at the moment I am not sure whether it is restricted to the maritimes or the Atlantics—will help. Anyway, who wants it? As my friend for Northwest Territories says, certainly no self-respecting northerner wants it.

● (2130)

Mr. Speaker, one of the things that amuses me about what the government has done tonight is that—I know that my friends to the right, the good Tories who are here, will bear me out—time and again, when we ask for some important piece of legislation which would deal with the high cost of living, pensions, veterans or what-have-you, we are given the stock answer, "We will have to see if there is parliamentary time." Apparently there is not enough parliamentary time for something that is really important. Yet the government can find parliamentary time for as unimportant an operation as bringing the move into the mainstream of Canadian life, bringing the move into the mainstream of the public politics of Canada, giving the north adequate access to the instruments of government.

I know it is risky saying these things because the sarcasm in one's voice too often will not be evident in the black and white on the pages of *Hansard*. I suggest that the best case for showing why this whole proposition is ridiculous and should be treated with derision was made—I was going to say by the hon. member for Kenora-Rainy River, but on looking at the hon. member for Yukon I realize that maybe it was made by him. Anyway, it is a toss up. Since those two hon. members are in bed together on this, I will let them sort it out.

Mr. Speaker: Is the House ready for the question on second reading referring the bill to the Standing Committee on Justice and Legal Affairs?

Mr. Nielsen: On a point of order, Mr. Speaker, when the bill was introduced by the President of the Privy Council (Mr. MacEachen), the incumbent of the chair, yourself I believe, asked the House whether the bill should be referred to the Standing Committee on Indian Affairs and Northern Development. According to my recollection, this afternoon there was general agreement in the House to refer both bills dealing with the north to that standing committee, rather than to the Standing Committee on Justice and Legal Affairs, simply because it would be more relevant to conduct consideration of the two bills in the same standing committee.

Mr. Speaker: Order, please. I am advised by the table that the reference was changed by order of the House after the motion was put to the House by the President of the Privy Council (Mr. MacEachen). That was my understanding. The hon. member for Winnipeg North Centre (Mr. Knowles) is rising, I gather, to confirm what I have said.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wish to confirm what Your Honour just said. The hon. member for Yukon must have been dozing when the President of the Privy Council (Mr. MacEachen) proposed that the reference should be changed to the Standing Committee on Justice and Legal Affairs. The Chair at that time said something like, "I suspect I should ask the House whether there is agreement to this." A few members said "Agreed" and it was so ordered.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Reid: Mr. Speaker, I wonder if the House would agree to call it ten o'clock. If it is agreeable, we will proceed with the "late show".

Mr. Speaker: Is it agreed that the "late show" be replaced by an early show?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, those of us who are taking part agree, provided that the ministers or members who are to respond are present. I see nobody here from the Department of National Health and Welfare.

An hon. Member: Yes, somebody is coming.

Mr. Reid: May I ask Your Honour if we can proceed with the second and third questions which are scheduled to be called? We could take the first question when the minister has the opportunity to come down.

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

TRANSPORT—SHORTAGE OF RAILWAY CARS TO MOVE GRAIN AND LUMBER—RETURN OF CANADIAN CARS FROM UNITED STATES—REPAIR OF ROLLING STOCK

Mr. Bill Knight (Assiniboia): Mr. Speaker, on the day when we were asking questions in this House relating to the severe and critical problems affecting transportation in Canada, I directed a number of questions to the Minister of Transport (Mr. Marchand), to which I feel I was given inadequate answers. I therefore hope that tonight the parliamentary secretary will answer some of the questions relating to problems in the movement of grain in the prairie regions.

According to the president of the National Farmers Union, we stand to lose $603 million by the end of the current crop year. According to my own figuring, we stand to lose in the neighbourhood of half a billion dollars. Regardless of which figure we take, in the one year when prices for our commodities are highest on the international market we stand to lose most because of difficulties with our transportation system.

Part of our difficulty stems from the fact that as of February 22 this year there were 15,500 Canadian railway boxcars in the United States and 8,000 American boxcars in Canada. That is, there were twice as many Canadian boxcars in the United States as American boxcars in Canada. That being so, I asked the minister if he could advise the House what action would be taken to bring back those cars so they might be used for moving our commodities. Secondly, I asked the minister if the government was paying $3.43 million toward half the cost of repairing 2,400 boxcars used by the railways to move grain.

The fact was that as of February 22, 7,400 boxcars of our railway system needed to be repaired. The question I asked the minister, which was not answered, was what commitment had the railways in this country made to fix and repair the other 5,000 boxcars because at this point in time we are at least 11,000 cars short of requirements for moving our product to the international market? For example, consider what has happened at the port of Prince Rupert, where only 320 cars were unloaded this February, compared with 1,660 cars unloaded in February of last year.

The minister spoke of establishing a boxcar monitor, or a monitoring agent. He did not speak of a boxcar allocator, as proposed by the right hon. member for Prince Albert (Mr. Diefenbaker) and myself. Apparently he will know where in the country the boxcars are. That, of course, is a typically Liberal position. He will know where they are, but will not do anything to put them where they should be. I want the parliamentary secretary to tell us what powers will be given to this monitor or monitoring agent to make sure that these cars are in position to move our commodities.

The questions I directed to the minister about the difficult situation we face were as follows: First, what is being done to get back into our transportation system the Canadian box-cars presently being used in the United States? Second, what commitment have the railways made to repair and put in service the other 5,000 cars which need to be repaired? Third, what power will the so-called monitoring agent be given to force the railways to use these cars as he sees fit for the movement of our products? Apparently his monitoring will tell him where the boxcars are. Mr. Speaker, that is not one bit different from what CN and CP have been doing all along. They know the location of the cars. They monitor that. However, they do not do anything about ensuring they are moving basic commodities to the international market. If there is going to be any monitoring, it has to be through an agent who has power to allocate.

[Mr. Reid.]

• (2140)

Being a westerner, and having relatives in my area, I know the hon. member for St. Boniface (Mr. Guay) will want to move their grain. I look forward with interest to his response.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the number of Canadian railcars in the United States is always of great concern to both the railways and the federal government. However, the particular number of cars in the U.S. per se is not of real significance. What is of more concern is the speed at which these cars are returned to Canada once unloaded. Obviously, the greater the number of cars going to the U.S., the better our trade position with that country. We are not in disagreement with the figures the hon. member has stated. We would like, however, to offer a few words of explanation.

Canadian cars have a longer haul in the U.S. than U.S. cars have in Canada. This is due to the type of products hauled and the geography of the country. We tend to ship raw materials to points deep in the United States. The U.S. ship manufactured goods to the population centres along the border. In addition, the numbers of cars in the U.S. tends to increase according to the various business cycles. For instance, there was in February a marked demand for lumber in the U.S. The number of Canadian cars in the U.S. increased as a result, and this continued until some of these cars started to come back. During the past week the number of cars in the United States has decreased. This reflects the lumber cars now returning.

It should also be pointed out that 1974 is no worse than 1973 with respect to Canadian cars in the U.S. We are taking action, nonetheless. The railways have since January taken measures to expedite the return of cars to Canada. They have, for instance, requested an order from the American Association of Railways to ensure that United States railways return Canadian cars as rapidly as possible. There is a possible penalty if U.S. railways are found in fault.

I am sure the hon. member is not listening to the answer he has requested, but he can read it in *Hansard* tomorrow. In addition, the Canadian railways have very recently written to the presidents of major United States railways to request their co-operation in returning cars to Canada. This has had a significant impact on the reduction of Canadian cars in the U.S.

With regard to the hon. member's last question pertaining to repairs, this is being done at the present time through the co-operation of Canadian National Railways.

TRANSPORT—RAILWAY FREIGHT RATES—PROVISION OF INFORMATION TO WESTERN PREMIERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question was put to the Minister of Transport (Mr. Marchand) on March 1, 1974. It had to do with the failure of the minister to honour the commitment he made to the western premiers in July, 1973, almost nine months ago, with regard to their complaints about inequities those provinces suffer at the hands of the railways. The Minister of Transport promised that the four western provinces would be supplied with information on the cost of shipping freight so they could prove their case that they were being discriminated against. That promise has not yet been kept despite the months which have gone by. The Prime Minister (Mr. Trudeau) and the minister promised they would force the railways to supply the provinces with the information they require.

What are the provinces complaining about? Let me give a few illustrations of the kind of discrimination they face. They feel that industrial development in the west has been inhibited by a freight rate structure which fails to recognize the federal government's expressed policy of regional economic structure. They say that the rate structure encourages the export of raw materials from western Canada and the import of manufactured goods to the detriment of western industrial development. They give illustrations. They point out that the statutory grain rates encourage producers to ship their grain from western Canada to the east where the grain is processed and then shipped back to the west. Because of the special rates for shipping raw materials, in this case grain, flour mills have been built and are operating in eastern Canada although the grain is grown in western Canada.

An example of the kind of discrimination they see every day is found in shipments from Winnipeg to Lynn Lake and Thompson, Manitoba. The distances are about the same, yet the cost of shipping petroleum to Lynn Lake is 30 per cent more than to Thompson. Why? Because there is no road into Lynn Lake and, therefore, no competition. The cost of shipping steel from Calgary to Hamilton is more than the cost of shipping steel from Hamilton to Vancouver. I presume that is because it is at least theoretically possible to ship the steel by boat through the Panama Canal. This is the kind of thing that has been going on for almost 100 years.

The premiers met in July, 1973. They made their case at the western economic opportunities conference. They were promised by the Prime Minister and the Minister of Transport that they would see the railways supplied the necessary information to the four western provinces. On December 15, 1973, the *Globe and Mail* reported the Minister of Transport as saying the railways had until December 21 to comply with his request that they supply the western provinces with the necessary information. The minister said that if they would not comply, he would bring in legislation to force that disclosure.

The four western premiers met again about two weeks ago, February 28, 1974. They issued a statement in which they said:

> Despite the public commitment by the Prime Minister that railway costs would be disclosed to the provinces, some seven months have passed without any substantive response by the Canadian Transport Commission (CTC) to the specific requests made by the federal Minister of Transport and the four western provinces . . .
>
> The reply of the CTC to the federal government's request for evaluation of 22 specific freight rate anomalies affecting the west has been recognized by transport ministers as incomplete and not responsive to the basic economic questions raised by the federal Minister of Transport.

● (2150)

They point out that the delay in achieving a reasonable solution to the rapeseed freight rate case, which has been before the CTC for nearly four years, is intolerable. The Minister of Transport received tremendous coverage a few weeks ago when he regretted the absence of a government transport policy. It is not surprising that the minister, who is supposedly responsible, could not get the railways to disclose the information the Prime Minister promised to the premiers. I suggest he should not delay bringing forward legislation which would require the railways to bring forth the information promised to the western premiers, and I urge the parliamentary secretary to take that message to the Minister of Transport.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I do not accept the statement made by the hon. member for Winnipeg North (Mr. Orlikow): The Minister of Transport (Mr. Marchand) has been quite frank with the House in outlining the difficulties facing the department. I think he is doing a tremendous job and that he enjoys the confidence not only of this House but of the people of Canada.

First, may I say we are referring here to railway costs, not to railway rates. Railway rates are freely available at all times from the railways or from the CTC.

Mr. Orlikow: I am talking about costs.

Mr. Guay (St. Boniface): I am talking about costs, too. If the hon. member did not hear me, I will repeat what I said. We are referring here to costs, not to rates. Railway rates are available at any time. Railway costs for specific movements, on the other hand, were always treated as confidential until the western economic opportunities conference and are protected by the Railway Act. At the western economic opportunities conference, the Prime Minister (Mr. Trudeau) promised that the federal government would arrange for a confidential government-to-government exchange of railway costs. The provinces submitted to the minister early in October a test case consisting of six specific movements in respect of which they wished to ascertain costs. In reply, the CTC advised that such direct disclosure appeared not to be feasible because of legal requirements, and proposed in its place a cost committee the success of whose efforts would rest on voluntary disclosure by the companies.

On December 12, the minister wired the railway chairman asking them to state formally their positions on cost disclosure. Canadian National suggested that guidelines should be established with respect to the method, form and control of cost disclosure, such guidelines to be formulated by the CTC. The CTC established a special panel on cost disclosure, chaired by Mr. Benson. This panel set up a technical committee of CTC, ministry of transport, provincial and railway representatives. The panel and technical committee are to review requests for cost data

and see that data is prepared in a form which the minister can convey to the provincial governments.

All the western provinces as well as the railways have agreed to the proposal and a meeting of the technical committee will take place in the next week or so. On March 1, the railways transmitted to the CTC actual cost data on the six specific movements mentioned in the minister's October letter to the CTC.

Although matters have not proceeded as quickly as the provinces would probably have liked, general progress has been made, and once the technical committee is functioning cost data can begin to flow. In the unfortunate event that this process breaks down—and we have no reason to believe it will—both the Minister of Transport and the Prime Minister are on record to the effect that they would resort to legislation to enforce disclosure if that were necessary.

SOCIAL SECURITY—OLD AGE SECURITY AND CANADA PENSION PLAN PAYMENTS—POSSIBILITY OF REDUCTION OF AGE OF ELIGIBILITY TO 60

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, unless something is done about it, I predict that when the next election comes, whether it is late or soon—

Mr. Orlikow: Soon.

Mr. Knowles (Winnipeg North Centre): —one of the questions all parties will have to face is this: What did you do in the twenty-ninth parliament about pensions at age 60? This is the reason I am raising this issue on every possible occasion. This is the reason for the question I put to the Minister of National Health and Welfare (Mr. Lalonde) on Friday, March 8, as recorded in *Hansard* at page 313. These were the words of my question:

> In view of the deep concern and need of many Canadians between the ages of 60 and 65 and in view of the wide support in Canada for the proposition that pensions should be available at age 60, may I ask the minister whether the government is giving consideration to proposing amendments to the Old Age Security Act and the Canada Pension Plan to establish pensions at age 60 on a voluntary basis?

The next entry in *Hansard* reads as follows:

> Hon. Marc Lalonde (Minister of National Health and Welfare): I should like to assure the hon. member that there are many people below age 60 who are also in need of support. The policy of the government is to provide income supplementation and some form of guaranteed income to all people in need in this country without regard to age. Therefore, I do not plan to introduce a piecemeal amendment of the type the hon. member is proposing.

A further question and answer followed, saying much the same as was said in the first exchange. I should like to suggest to the minister that whenever any government is telling us the things it has done, it itemizes them piece by piece. That is the way most legislation in the social field as well as in other fields has grown in this country. It has been built piece by piece, stone by stone, as it were, so I am not fazed by the minister's statement that he does not want to do things on a piecemeal basis. That is what the Liberal Party has been doing in the field of social welfare since 1919.

The suggestion that there are other groups in need is one I confirm and endorse wholeheartedly. I welcome the steps the minister is taking in concert with his counterparts in the provinces to bring in something along the lines of a guaranteed income, something along the lines of providing supplementation for those who are at work but whose incomes are not sufficient to enable them to maintain a decent standard of living. But surely the minister is one Liberal in this House, even if he is the only one here tonight, who would agree that it is not good enough to talk about the needs of other groups, and then say we ought not to deal with the needs of one particular group.

[Mr. Guay (St. Boniface).]

He will have my full support in the other efforts he is making. At the same time, I urge him to give careful consideration to making pensions available at age 60, not on the same basis as old age security in the sense that everyone gets it, and now available at age 65, but certainly to all those we are out of the labour market or who are prepared to leave the labour market. I think the same should be done with respect to the Canada Pension Plan, and I see this change in these two pieces of legislation as one of the most important requirements in the field of social reform.

One of the reasons this is a matter of such concern and is so popular in this country is this: the pace of economic life has changed a great deal and there are a great many people over 50, or between 55 and 60, who find the economic rat race a little too much for them and feel they have the right to retire. There is also the problem in the many instances where one spouse is over 65 and the other is under that age. The solution to this, sometimes proposed, is that when one spouse gets the pension, no matter what the age of the other, the other should get it as well. I think that creates a problem. When one talks about a spouse under 65, then what about single persons under age 65, and so on? That problem would be largely solved in the average case of one spouse being three or four years older than the other if the person out of the labour market at age 60 could qualify for the pension.

● (2200)

So I put it to the minister again tonight, and I know from the answers he has made on previous occasions and from some of the comments he made today to the Canadian Labour Congress that he is ready to come up with arguments and reasons why we cannot do it. I suppose the real reason is that the Treasury Board does not agree at this time, that the Treasury Board feels the government did enough in this field during the last session. In any event, I appeal to the heart of the minister, which I believe is in the right place, and to his mind which I believe is aware of the political situation, particularly when I say to him that he should get moving, and especially that he should get the govermment moving on this urgent matter of pensions at age 60.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I always appreciate the remarks and the comments of the hon. member who is so well known across the country for his concern about senior citizens and pensions problems. I should first of all like to point out that it is not merely the Treasury Board that says we must be careful about public expenditures in this area, but also the Economic Council of Canada on which his friends and colleagues from the Canadian Labour Congress sit. Labour is well represented on this Economic

Council. The six labour members on that council did sign that report. It says that we must proceed over the next few years on the basis that increases in transfer payments should not exceed 11 per cent per year.

During the next election campaign, whenever it might be, I would, quite frankly, be sorry if a debate should take place on what has been done about pensions at age 60. I should hope that members of all parties would rather debate before the Canadian people what has been done for people in need in this country of all ages and in all categories.

This is a point I have been trying to impress upon various groups across this country and upon my colleagues in this House. The hon. member referred to people age 55 who feel not enough has been done for them and that they should be entitled to retire from the work force. I suggest that dropping pensions to age 60 will not answer the problems of those people. The hon. member refers to the spouse under age 65, but then we will have to consider the spouse under 60 and what we should do for her.

Let me repeat that what we must try to do is approach this question on a broader basis through income supplementation and guaranteed income, and in that way we can solve the problems of those age 60 and 65. Whether this is done through guaranteed income, through OAS-GIS payments or in other ways is, I submit, rather irrelevant to those people provided they get what is a fair deal in terms of guaranteed income or income supplementation. I think the suggestion that we should limit our attention to the idea of making pensions eligible to those at age 60, as if this were a panacea, will only create trouble and once more will represent a piecemeal approach.

Motion agreed to and the House adjourned at 10.06 p.m.

HOUSE OF COMMONS

Tuesday, March 19, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AIR TRANSPORT

AIRCRAFT HIJACKING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I rise pursuant to Standing Order 43 to seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity. Having regard to the fact that the frequency of aircraft hijackings perpetrated by the use of violence has increased dramatically over the last few months, resulting in an alarming danger to human lives and loss of property, compounded by the fact that the apprehension of the person or persons responsible for aircraft hijackings invariably leads to another hijacking for the purpose of freeing such persons, such facts having the result that the various courts of the jurisdictions where the hijackings occur have been unable to deal effectively with the persons responsible for such hijackings, I move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds):

That this House recommend that our government take the initiative in sponsoring a resolution in the United Nations that would provide for the establishment of a tribunal under that organization which would have exclusive jurisdiction to obtain custody of, try and sentence all persons apprehended as the result of an airline hijacking.

Mr. Speaker: The hon. member's motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

TRANSPORT

RAILWAY SAFETY STANDARDS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I wish to move a motion under the provisions of Standing Order 43. In view of the tragic deaths of two more men last weekend as the result of a rail accident in the Fraser Canyon, and in view of the fact that the case against both national railways, in their criminal failure to meet adequate safety and track maintenance standards, is well documented and studied but action is long overdue, I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House calls upon the government to implement immediately the recommendations contained in the third report of the rail safety inquiry of the Canadian Transport Commission.

Mr. Speaker: This motion proposed for the consideration of the House under Standing Order 43 requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

SPORTS

TRAINING FOR OLYMPIC GAMES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, under the provisions of Standing Order 43 I request the unanimous consent of the House to move a motion on a matter of urgency in that the United States, Russia and other countries already have such a program fully operational. I move:

That this House request the Minister of National Defence to give immediate consideration to redirecting the armed forces recruiting program to encourage young athletes to join the armed forces for full-time training for the Olympics to be held in Canada in 1976.

Mr. Speaker: The hon. member's motion requires unanimous consent. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

INDUSTRY

CONSTRUCTION—INCREASING COST OF MATERIALS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I rise to put a motion under the terms of Standing Order 43.

In view of the rapid price escalation in the construction industry, the price of materials often rising over 15 per cent in the period between a tender being submitted and

work being started, and in view of the Prime Minister's assurance that the government is attempting to stabilize prices in individual industries, I ask leave of the House to move, seconded by the hon. member for Edmonton-Strathcona (Mr. Roche):

● (1410)

That the government be urged to give priority to taking measures to stabilize prices in the construction industry.

Mr. Speaker: Again, this motion is proposed to the House under the terms of Standing Order 43. The Chair will inquire whether there is unanimous consent so that the motion can be put and debated this afternoon. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put, considered and debated this afternoon.

* * *

AGRICULTURE

SUBSIDY TO BEEF PRODUCERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, under the terms of Standing Order 43 I rise on a matter of utmost urgency arising from the confusion now existing across Canada in our cattle marketing. This confusion has been brought about as a result of the government bungling the subsidy program to date.

An hon. Member: You are part of the government.

Mr. Nesdoly: Therefore I move, seconded by the hon. member for Assiniboia (Mr. Knight):

That this House calls on the government of Canada to pay a subsidy directly to producers of cattle marketed for slaughter purposes and grading A or B, and that the government should give serious consideration to setting a floor price on beef related to the cost of production.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

CANADA STUDENT LOANS ACT

AMENDMENT TO WIDEN CATEGORY OF PERSONS ENTITLED TO LOANS

On the order: Introduction of Bills:

March 14, 1974—Mr. Reynolds—Bill intituled: "An Act to amend the Canada Student Loans Act."

[Mr. Stackhouse.]

Mr. Speaker: I indicated to the hon. member yesterday that the Chair had some reservation about the procedural aspect of the bill. The hon. member indicated also that at some propitious moment he might give his views on the procedural question of whether the bill should be put to the House. I gather that the hon. member is prepared to submit argument now for consideration by the Chair in due course.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, the idea of this bill is to allow people who are now legitimately unable to attend school on a full-time basis to attend part time. In no way did I mean that the government should spend more money. Certainly they spend enough now.

Some hon. Members: Hear, hear!

Mr. Reynolds: The bill does not say anything about spending money. The bill clearly wants the government to allow people to apply for student loans if they wish to go to school part time. The government could leave its budget at the same amount as it is now but allow these people to apply to participate in the program.

Mr. Speaker: The argument of the hon. member is interesting and perhaps somewhat imaginative. I want to be fair to him. Perhaps I might look at the matter further. When there is the slightest doubt the Chair should give the hon. member the benefit of the doubt so that the bill can at least be put on the order paper. Before making a decision I might have a second look at the matter in light of the argument submitted by the hon. member for Burnaby-Richmond-Delta.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

AGRICULTURE

SUBSIDY TO BEEF PRODUCERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I ask leave, seconded by the hon. member for Timiskaming (Mr. Peters), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the confusion now existing across Canada in livestock and cattle markets as a result of the subsidy program for beef cattle announced by the government, which has created a situation of extreme uncertainty for cattle producers and makes it urgent that the Minister of Agriculture (Mr. Whelan) outline in detail to the House the method of payment of the subsidy to the producer so that the effect of this program on the consumer and the producer can be fully discussed and reviewed by this parliament.

Mr. Speaker: The hon. member for Saskatoon-Biggar has given the required notice and I have had an opportunity to give serious consideration to the hon. member's proposal that the business scheduled for today be set aside

for the purpose of considering the subject matter of his proposed motion.

As hon. members know, there appears on today's order paper notice of a motion in the name of the hon. member for Champlain which would come up for consideration this afternoon under the terms of Standing Order 58. The hon. member for Saskatoon-Biggar is proposing that his own motion be given priority over the supply proceedings proposed under Standing Order 58. The Chair has serious reservations about this suggested course of action.

I would be very reluctant, except perhaps in the most extreme circumstances and when there is no early opportunity for debate, to agree that an emergency debate under Standing Order 26 take precedence over a motion proposed for consideration under Standing Order 58. In this instance, the Chair must take into account that not only this day but also Thursday and Friday of this week and Monday and Tuesday of next week have been designated as supply days. In the circumstances, I must conclude that the motion of which the hon. member for Saskatoon-Biggar has given notice should not be put at this time.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

SUBSIDY TO BEEF PRODUCERS—EFFECT ON MARKETS AND PRICES

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question is addressed to the Minister of Agriculture. In view of the continued chaos and confusion in cattle markets all across Canada as a result of the seven cent subsidy announcement last Friday, and in view of a $4 to $5 drop in market prices since this announcement, leading to a loss in inventory value of an estimated half a billion dollars to Canada's 13 million head cattle industry, in spite of the minister's operational procedures issued last night, will the minister now indicate what steps the government intends to pursue to restore some confidence and stability to the Canadian cattle industry?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it may be coincidental but there is a downward trend in the United States cattle market and that has affected the cattle market here.

Some hon. Members: Oh, oh!

Mr. Whelan: To say that this is not the proper time to put this program into force or to say whether it is really going to work—it is much too early to say it has caused all this confusion that some members are trying to indicate.

Some hon. Members: Oh, oh!

Mr. Whelan: Come on! As far as I am concerned, they are the ones who are adding confusion by some of the statements they are making.

● (1420)

Mr. Hargrave: Mr. Speaker, may I direct a supplementary question to the Minister of Agriculture. In view of the uncertainty that still exists in cattle markets, especially the Toronto market, in spite of the instructions in point No. 2 of his special procedural announcement last night, is the minister aware that on this morning's market in Toronto the procedure being followed does not include the seven cent subsidy in the bid or market price established by the trade?

Mr. Whelan: Mr. Speaker, I am informed that, while there are a few nonconformists in the Toronto market, the majority of the major buyers are purchasing on bid prices plus the seven cents. Bidding is continuing as normal but accountants add seven cents per pound to the producer.

SUBSIDY TO BEEF PRODUCERS—REIMBURSEMENT OF PROCESSORS FOR AMOUNTS PAID

Mr. Dan Hollands (Pembina): Mr. Speaker, may I direct a supplementary question to the Minister of Agriculture. As the regulations released yesterday regarding the beef subsidy say nothing of when the processor will be reimbursed out of the fund for payments made, will the minister inform the House and the country when he is going to make an announcement?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the processor knows very well that he will be reimbursed for the amount he pays to the producer. He will have to prove that he actually paid that amount to the producer. Our accountants will be checking his books. They will be checking vouchers with the people who sold the cattle. There will be no way that they can be compensated by the government without proving definitely that they paid the producer that amount for the product, which would include the government premium.

Mr. Hollands: Who is going to pay the interest on this amount of money? Will the processors be reimbursed before six months have passed?

Mr. Whelan: Mr. Speaker, these payments will be made within one week from the time of delivery. They are going to be made that quickly.

Some hon. Members: Oh, oh!

SUBSIDY TO BEEF PRODUCERS—REQUEST FOR DIRECT PRICE SUPPORT PROGRAM—DURATION OF SUBSIDY

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask a supplementary question of the minister. As the declines in the market that have taken place since the minister's announcement last week have wiped out over half the seven cent subsidy per pound which the minister offered producers, is the minister prepared to look at a direct price support program which will assure to the producer the money which the taxpayer of Canada is going to put up under the program the minister is advocating?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I said yesterday that we are watching this very closely and if this program is not doing what we want it to do we will have to change it.

Mr. Gleave: As we run a real risk of heavy runs on the market because of the very program the minister is putting into effect, which will further depress prices, will the minister include some dates in this program and at least tell farmers that it will continue into June or July so that there will not be an emptying of feedlots and, following that, a real rise in prices?

Mr. Whelan: Mr. Speaker, we stated when we announced this program that it will be continued until the whole beef market levels out to where we think it should be in order to give the producer a proper amount for the beef he is placing on the market. We intend to continue the program or a program that will do just that.

Mr. Speaker: Order, please. Perhaps the Chair shall see the hon. member for Saskatoon-Biggar and the hon. member for Battleford-Kindersley on supplementaries and then try to go to the next subject.

Mr. Gleave: Since price is the key to this program and the price to the producer is surely the key to the government's objective, will the minister tell us what price objective he is aiming for? What is the level of the price objective he mentioned a moment ago?

Mr. Whelan: Mr. Speaker, I thought I made it fairly clear when we talked about what the return ought to be to the producer. We realize that prices so far today are not giving enough return to the producer to keep him in business. That is why we are as concerned as he and all other members. If there happens to be some kind of collusion between the packing firms that are buying the cattle, I can certainly ask my colleague, the Minister of Consumer and Corporate Affairs—

Some hon. Members: Oh, oh!

Mr. Whelan: —to have their purchasing practices investigate under the Combines Investigation Act. As far as I am concerned, it is much too early in the program even to suggest I do that at this time, unless hon. members have advice otherwise.

Mr. Speaker: In addition to the hon. member for Battleford-Kindersley, there are others seeking supplementaries, including the hon. member for Wellington and the hon. member for Middlesex. Perhaps we might allow the hon. member for Richmond to ask his question and then return to the hon. member for Battleford-Kindersley.

[*Translation*]

BEEF SUBSIDY—APPLICATION OF PROGRAM

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Can he advise the House which of the A-1 and A-2 cattle categories, once the program concerning A-3 and A-4 cattle is terminated, will benefit from the seven cent subsidy?

[Mr. Gleave.]

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all cattle used for human consumption in Canada are inspected. There should be no difficulty in determining the grades of cattle being sold in Canada for human consumption.

[*Translation*]

Mr. Beaudoin: The minister got my question all wrong, Mr. Speaker.

I am talking about cattle sold at public auctions where nobody knows where they come from and who the producers are. When the program concerning A-3 and A-4 cattle is terminated, can he say which of the A-1 and A-2 cattle categories will benefit from the subsidy?

[*English*]

Mr. Whelan: Mr. Speaker, the market shows the real value of cattle. It has always showed the real value. Any person trying to sell is certainly aware of what that market is that day. That is the way cattle have been sold. We do not intend to change that unless something drastic happens in the market that is different from what has been shown in past operations.

AMOUNT OF SUBSIDY TO BEEF PRODUCERS

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, my supplementary is to the Minister of Agriculture. Perhaps he can clear up some of the confusion he has created. There is no confusion in the minds of the packers. They are buying meat at five cents less than before the minister made the announcement. In his statement released yesterday the minister said that the subsidy on cattle retroactive to March 4 would be seven cents. On a radio program one hour ago someone from his department said it would not be done by grade but that they would average it at five cents. Perhaps the minister can clear that up. Will it be five cents average on all cattle sold or seven cents on A-1 and A-2?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the whole idea of making it retroactive to March 4 is to compensate those people who delivered Canadian cattle when they were able to put them on the market. The over-all compensation will be seven cents for A-1 and A-2. Compensation will be paid on A-3 and A-4, and on all cattle it will average out to about five cents a pound.

● (1430)

[*Translation*]

REQUEST FOR FINANCIAL ASSISTANCE TO TURKEY PRODUCERS

Mr. Marcel Roy (Laval): I wish to direct a supplementary to the Minister of Agriculture.

In view of the fact that when Bill C-176 concerning farm product marketing came before us, hon. members of the opposition and the leaders of the Canadian Cattlemen's Association opposed any federal government intervention into the marketing—

Mr. Speaker: Order, please. Would the hon. member kindly ask his question?

[*English*]

I will then recognize the hon. member for Wellington. Hon. members will appreciate that after all these minutes we are still on the first subject, the very first question. After the hon. member for Wellington I will see the hon. member for York South on the second question.

[*Translation*]

Mr. Roy (Laval): Mr. Speaker, because the Canadian Cattlemen's Association was opposed to government intervention in the marketing of beef, and considering increased costs to turkeys producers as a result of the higher cost of grains in the Prairies, might the Minister of Agriculture consider the possibility of intervening with turkey producers with a view to bringing prices back in line with production costs?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the turkey producers of Canada are organized under a national marketing agency and it is much easier to assist them through an organization of that type. We have met with them and we are discussing the request they have made. To be really honest, this is one of the problems we are running into in the beef program. There is no real organization, so beef is marketed in every way one can imagine.

Mr. Speaker: Order, please. It seems to me we have strayed from beef to turkeys. We might get back to beef for a last supplementary, after which the Chair will recognize the hon. member for York South.

SUBSIDY TO BEEF PRODUCERS—CHECKING BY AUDITORS TO PREVENT IMPROPER PAYMENTS

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is for the Minister of Agriculture. In view of the extreme difficulty of administering the beef subsidy and in view of the fact that speculators could conceivably get two subsidy payments, has the minister alerted the audit services and Auditor General to be on the lookout for the discrepancies that are bound to occur?

Hon. E. F. Whelan (Minister of Agriculture): We are well aware that what the hon. member has suggested could possibly happen. If we can devise regulations to cover such situations we shall do so, though we think such cases are not likely to be frequent. We are aware of what might happen. I am sure the same person called me as called the hon. member to point this out.

* * *

HOUSING

HALIFAX—CENTENNIAL PROPERTIES APARTMENT PROJECT—REQUEST FOR INVESTIGATION—AVAILABILITY OF FUNDS TO CO-OPERATIVE INSTEAD

Mr. David Lewis (York South): Mr. Speaker, I have a question on another subject for the Minister of State for Urban Affairs arising out of a proposal by Centennial Properties Limited in Halifax to build apartment housing known as the Quinpool Road project. Even though this question refers to a specific project in a particular city, it has general national application. In view of the fact that the rental price to be charged is about $340 a month on the average, and in view of the fact that this particular corporation was severely criticized in the Charney report in connection with its previous work, may I ask the minister whether he has looked into the matter? I did give his office notice about this question yesterday. May I also ask him whether Central Mortgage and Housing Corporation will give the necessary loan guarantees which this not very desirable firm is seeking?

Hon. Ron Basford (Minister of State for Urban Affairs): I appreciate the hon. member having given me notice of the question. Apparently the project has been given a building permit by the city of Halifax and the issuance thereof has been supported by the province of British Columbia.

Some hon. Members: Oh, oh!

Mr. Basford: That just shows that British Columbia is constantly on my mind.

The information in the possession of CMHC with regard to the application made to it is in such a preliminary form at the moment that the corporation is not able to form any view about a recommendation to me on the matter, but I will give the hon. member further information when it is available from our Halifax office.

Mr. Lewis: I would be very happy if it were only British Columbia which was on the minister's mind. I sometimes think it is the Rocky Mountains, which would be much more serious. In view of the fact that considerable objection to this project has been raised by citizens and that some people are trying to create a co-operative housing organization for the purpose of building the same number of dwelling units as is proposed by Centennial Properties Limited, may I ask the minister whether he will look into this application seriously and inquire into this attempt by citizens to form a co-operative housing association for this purpose? I make this request particularly in view of the hon. gentleman's statement to the Canadian Labour Congress about his desire to see co-operative development—

Mr. Speaker: Order, please!

Mr. Basford: I do not see the two applications as being competing applications at all. If there is a group in Halifax—I must admit I have not yet heard of it—wishing to organize a co-operative housing group, it will have the full benefit of the National Housing Act and of the budget that supports the co-operative housing program. We are anxious to approve all applications, not just some of them.

Mr. Lewis: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York South but I seek the co-operation of hon. members in limiting the number of supplementaries so that we may move on a little faster between now and the end of the question period.

Mr. Lewis: I do want to put this supplementary to the minister. It arises out of information I have that the

co-operative organization being formed is seeking to build on precisely the same terrain as Centennial Properties Limited. In view of this, may I ask the minister whether he will assist the co-operative instead of this not very reputable corporation?

Mr. Basford: I will obtain further information on the matter. I have no information regarding the co-operative group. The group which the hon. member suggests should not receive any money would receive a normal mortgage and would not receive any particular grant or subsidy. I will examine the co-operative application to see whether they should get an application of subsidy or grant.

* * *

[*Translation*]

MANPOWER

STUDENT JOB PROGRAM FOR AGRICULTURE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration, but in view of his absence I shall address it to his parliamentary secretary.

Seeing there is a shortage of qualified agricultural labour, which problem is of great concern to the farmers, can the minister or his secretary tell the House whether the details of the student employment program have been finalized and whether application forms will soon be available at the manpower centres?

[*English*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): This program is in the process of being fully developed.

* * *

GRAIN

POSSIBILITY OF FARMERS HAULING WHEAT BY TRUCK TO UNITED STATES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. Is the Wheat Board considering giving farmers the right to haul wheat by truck to the United States, particularly to the Minneapolis market, to take advantage of current high prices since it now seems certain that large amounts of wheat will not be delivered this year due to transportation difficulties?

Hon. Otto E. Lang (Minister of Justice): In the ordinary course the Canadian Wheat Board itself would take advantage of any export opportunities and would share those opportunities among producers through the quota system.

[Mr. Lewis.]

FINANCE

STATEMENT OF MINISTER CONCERNING LEVEL OF CORPORATE PROFITS AND NECESSITY TO PASS ON COST INCREASES

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I wish to direct a question to the Minister of Finance based on a recent statement by the minister indicating that he felt corporate profits in certain industries had reached a point at which they were so healthy that it was not necessary for business to pass on to the consumer every increase in costs. Would the minister indicate the studies upon which this claim was based, and tell us what particular industries he had in mind?

● (1440)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I reached that conclusion just from a review of the general profit picture which is available to every hon. member of this House through the statistics that are published regularly.

Mr. Stackhouse: In view of the difficulties that firms in the construction industry are having regarding the escalation of costs between the time of tendering and the time of fulfilling contracts, would the minister indicate whether the construction industry is an industry in which he thinks the profits are so healthy that businesses can absorb increases in costs?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that is a matter of judgment upon which we may or may not act.

* * *

FISHERIES

SEALS—ALLEGED LANDING OF HELICOPTERS CARRYING AMERICAN TOURISTS IN MIDDLE OF HERDS—REQUEST FOR RESCINDING OF REGULATIONS GOVERNING HUNT

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Fisheries. Is the minister aware of the fact that helicopters carrying American tourists are landing in the middle of seal herds, thereby causing panic among the herds and danger to the landsmen hunting the seals? If not, would he ask his colleague the Solicitor General to direct the RCMP to investigate this matter and to take the necessary action, since this contravenes a section of the Fisheries Act?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, allegations to that effect have been made and we are making investigations.

Mr. Carter: In view of the fact that the regulations imposed on the seal fishery by the minister were passed largely on the recommendation made to him and the government by one Brian Davies, the person now responsible for breaking the law, and in view of the fact the regulations have had a very serious effect on the economy in certain parts of eastern Canada, would the minister now undertake to have these regulations rescinded, thereby restoring the sealing industry to eastern Canada?

Mr. Davis: Mr. Speaker, as the hon. member knows, the regulations have been developed over a period of years by very competent people, not including Brian Davies. Brian Davies has been warned. He was warned before that helicopters cannot land within half a mile of a herd. If in fact his helicopters have been landing within half a mile, appropriate action will be taken.

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FORESTRY

SHARING BY FEDERAL GOVERNMENT OF COST OF SPRAYING NEW BRUNSWICK FORESTS

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of the Environment. Is the government going to continue to share with the province of New Brunswick the cost of spraying New Brunswick's forests to control and eradicate insects, particularly the spruce budworm, during the spring and summer of 1974?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker, but only under a limited budget.

* * *

STATISTICS CANADA

SUPPLYING OF MAILING LISTS FOR COMMERCIAL PURPOSES—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question relates to the matter of the confidentiality of income tax mailing lists which I raised in the House yesterday. Again my question is directed to the Minister of Industry, Trade and Commerce. In view of the fact Statistics Canada has now announced that it has discontinued the sale of these lists, even though we have evidence that the lists are still being used, and as the minister responsible for the policies of Statistics Canada implied yesterday that he is not in favour of these lists being used for this purpose, my question is twofold: first, when is the government going to change the legislation and, second, what is the minister doing to stop immediately these lists continuing to be used for this purpose?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we may introduce some amendments to the Statistics Act during the course of this session. As for the second question, I do not think there is any action that I can take, even if I wanted to take action, to prevent those who have purchased these lists quite legally and in good faith from Statistics Canada using them for commercial business purposes.

TRANSPORT

ACTION TO IMPLEMENT TRANSPORT COMMISSION RECOMMENDATIONS FOR PREVENTION OF RAILWAY ACCIDENTS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Minister of Transport. In light of last weekend's tragic rail deaths in British Columbia, and in light of the report issued in January by the Canadian Transport Commission criticizing CNR and CPR rail safety practices which have resulted in tripling the number of derailments between 1959 and 1972 and calling upon the government to institute rail safety measures, can the minister inform the House what action he intends to take to implement the CTC recommendations and prevent the increase in rail accidents which is predicted by the commission in the absence of government action?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I very much regret this accident. As hon. members know, there was a derailment at Spences Bridge, if my memory serves me well, and two men were killed. Although this was a place where there had not been slides before, it happened that time. We are trying to take care of this situation and we are now pursuing studies with the CTC in order to improve the record.

Mr. Speaker: I recognize the hon. member for Fraser Valley West on a supplementary, followed by the Leader of the Opposition.

Mr. Rose: Since the report accurately predicted deaths would occur unless safety improved, can the minister inform the House whether he has established a deadline for completion of his department's study of this report, and when will he announce to the House the measures that his department will take to implement the CTC's recommendations?

Mr. Marchand (Langelier): Mr. Speaker, I have already indicated to the House, and I believe somebody also suggested this previously, that I should like to go a little further and have someone not involved in the Department of Transport empowered to inquire into this kind of accident so we can ensure that all precautions are taken. I cannot establish a time limit, but we are trying to do this as fast as we can.

* * *

ENERGY

OIL EXPORT TAX—COMMUNICATION TO PROVINCES OF LEGAL OPINION THAT THEIR SHARE NOT SUBJECT TO EQUALIZATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance who stated in the House yesterday that he has received a legal opinion that the provincial share of receipts from the oil export tax are not subject to equalization. May I ask the minister whether he has communicated this legal opinion and the position of the federal government to the provinces, and whether any province has disputed that position?

Oral Questions

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as I said yesterday, during the meeting that I had with the provincial treasurers and ministers of finance I took the position that there was no equalization payable as a result of division of the export tax. I have not communicated that opinion to my colleagues at the provincial level. That opinion, as other legal opinions, I take to be privileged to the federal government.

Mr. Stanfield: Has the minister communicated on behalf of the government of Canada in a formal way, or at least in a definite way, to the provinces that the provincial share of receipts from the oil export tax will not be subject to equalization as far as the federal government is concerned?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I took the position that under the present law and regulations it was not so chargeable.

Mr. Stanfield: Mr. Speaker, I apologize for taking the time of the House, but may I ask the minister whether he has communicated this to the provinces, and has he received any protest from any provinces?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it was the subject of virtually one day's discussion at the ministerial level by the ministers of finance at the end of January, and some of the provinces, of course, were not particularly entranced with my stand.

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[*Translation*]

MANPOWER

AGRICULTURAL WORKERS' PROGRAM—POSITION OF GOVERNMENT

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, the minister being absent, I should like to put a supplementary to the question addressed to the Parliamentary Secretary to the Minister of Manpower and Immigration.

The parliamentary secretary has just said that the program for agricultural labour is under study. As this is March 19, will the minister pass his tests fast enough for the farmers to benefit from the program this summer?

[*English*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the government is very conscious of the urgency of this question and it is being speedily implemented.

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INDUSTRY

GENERAL INSTRUMENT CORP., SYDNEY, N.S.—REDUCTION IN WORK FORCE—GOVERNMENT ACTION TO FIND EMPLOYMENT FOR WORKERS AFFECTED

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and is related to the question I posed to him on Wednesday with reference to the reduction in the work force of approximately 1,000 employees at General Instrument Corporation of Sydney by some 300 employees. Since that time there has been another lay-off of 80 employees. The minister said that he would have his officials contact the principals of this corporation to ascertain what might be done. Is the minister in a position to give a further report to the House?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am pleased to report that my officials have been in contact with the company, but I am not in a position to state further what particular measures might be taken.

Mr. Muir: May I ask the minister whether, during the discussions with the superiors or great leaders of this company, he would ascertain if the reason for their moving out of Sydney due to lack of demand for automobile radio tuners is a legitimate one, or is the reason because they want to go to countries like Mexico, Portugal or Taiwan where they pay starvation wages? Would the minister assure us that he will bring a report back?

● (1450)

Mr. Gillespie: Yes, Mr. Speaker, I would be pleased to go into that further. I might say at this time the advice I have received is that the reason for the lay-offs is the reduction in sales of automobiles in the United States. That has been the primary reason for the shortfall in sales this year.

* * *

FINANCE

EFFECT OF REMOVAL OF SALES TAX ON CHOCOLATE BARS IN LAST BUDGET IN LIGHT OF PRICE INCREASE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Finance. Can the minister tell the House if the purpose of his most recent budget of 13 months ago, which removed the sales tax on near-food products such as chocolate bars, is succeeding in benefiting Canadians both in the form of lower prices and more value for their money in light of the fact that the largest confectionery manufacturer in Canada will increase the price of chocolate bars and it is anticipated that related manufacturers will also follow this action?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, a survey taken by a monitoring system for my colleague the Minister of Consumer and Corporate Affairs showed that in the period of five or six months after the sales tax was taken off those commodities there was a beneficial result. It may well have retarded an increase in price. Any increase in price may have reflected an increase in cost. As a matter of fact, it might well have kept the size of chocolate bars the way it is.

Mr. McKinnon: Mr. Speaker, my supplementary is also to the Minister of Finance. The budget speech said that the price would be lower. It is now higher. Has the minister any additional steps in mind in respect of action to prevent consumers having to face yet another price increase?

Mr. Speaker: The hon. member for Calgary North.

ENERGY

OIL PIPELINE EXTENSION TO MONTREAL—INQUIRY AS TO APPROVAL BY BOARD AND LETTING OF CONTRACT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources whether the National Energy Board has approved the Montreal pipeline and whether the contract at this time is now let in light of the fact that there now seems to be an easing of the pressure with regard to security of supply of crude petroleum and other energy?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the board has not yet given approval for the pipeline.

Mr. Woolliams: Is the application before the board and has the government ensured that the pipeline will be built so that we will have a security of supply and not have the panic we had this winter?

Mr. Macdonald (Rosedale): I spoke to the chairman about this matter this morning. He is anticipating an application at a very early date.

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NATIONAL DEFENCE

INQUIRY AS TO DECISION ON REPLACEMENT OF CENTURION TANK

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of National Defence. Can he tell the House whether a decision has been taken not to replace the Centurion tank?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, no decision has been taken. The service life of the Centurion tank has been extended to 1976.

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[*Translation*]

FISHERIES

QUEBEC—DEVELOPMENT OF COMMERCIAL FISHING IN GASPÉ AND MAGDALEN ISLANDS

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I should like to ask a question of the Minister of Fisheries.

Can the minister tell the House whether he has received a letter from the Quebec Minister of Industry and Commerce informing him that the development of commercial fishing is compromised in the Gaspé peninsula and the Magdalen Islands as a result of cuts in the 1974-75 budget for building fishing harbours?

[*English*]

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I have received such a letter. The budget has in fact been increased. I should like to remind the hon. member that fishing in Quebec is delegated to the province.

[*Later:*]

[*Translation*]

Mr. Cyr: Mr. Speaker—

Mr. Speaker: Does the hon. member for Gaspé wish to ask a supplementary?

Mr. Cyr: Yes, Mr. Speaker.

Maybe the minister did not understand my question. He says that the fishing industry comes under the jurisdiction of Quebec, which is true, but building harbours for small boats comes under the jurisdiction of the federal government.

I therefore ask the minister whether he intends sending an encouraging reply to the province of Quebec and the fishermen saying that the commitments contained in the Canada-Quebec agreement will be met by the federal government?

[*English*]

Mr. Davis: Mr. Speaker, the Canada-Quebec agreement is a matter for DREE.

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FLOODS

STEPS TO LOWER WATER LEVEL OF LAKES ONTARIO AND ERIE TO PREVENT POSSIBLE DAMAGE

Mr. Kenneth J. Higson (Lincoln): Mr. Speaker, I have a question for the Minister of the Environment. With the water level of Lakes Ontario and Erie continuing at a dangerously high level, with a resulting threat to lakeshore property owners, is the minister satisfied that the International Joint Commission and other appropriate authorities are taking all necessary and possible steps to lower the water level of Lakes Ontario and Erie so as to reduce potential property damage and threat to human life to an absolute minimum?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I certainly hope so. Our staff is working full time with the IJC in this connection.

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FINANCE

RESULT OF COURT ACTION AGAINST PERSON DISCOUNTING GOVERNMENT CHEQUES—POSSIBLE AMENDMENT OF SMALL LOANS ACT

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is addressed to the Minister of Justice and relates to what has been referred to in the House as loan sharking operations, technically discounting of government cheques. About 18 months ago the government of Canada took one of these operators to court. Can the minister inform the House what has been the disposition of that case?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, if the hon. member is referring to the case recently decided by the Alberta Court of Appeal in which this particular kind of operation was held not to be a loan within the

definition of the act, that is the result. Of course, following that result the Minister of Consumer and Corporate Affairs, who shares with me great concern in this matter, is looking at what steps we ought to take.

Mr. Rowland: Mr. Speaker, my supplementary is directed to the Minister of Finance. I am not sure whether it should be directed to the Minister of Finance or the Minister of Consumer and Corporate Affairs. It relates to the Small Loans Act. Is the government contemplating amendments to the Small Loans Act which would bring within its ambit this kind of transaction which is essentially a lending operation?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, this is being examined.

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EXTERNAL AFFAIRS

CHARGE BY UNITED NATIONS SECRETARY GENERAL THAT CANADA ENGAGED IN BRAIN DRAIN OF DEVELOPING COUNTRIES—GOVERNMENT POSITION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Secretary of State for External Affairs. How does the government intend to respond to UN Secretary General Kurt Waldheim's charge that Canada is among those developed nations engaged in a brain drain of developing countries by which we promote the migration of physicians, engineers and scientists from the countries most in need of these educated leaders?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would deny it.

Mr. Crouse: Mr. Speaker, a supplementary—

Mr. Speaker: Order, please. Perhaps the hon. member would allow the hon. member for Edmonton-Strathcona to pursue his supplementary. We are almost at the end of the question period. The hon. member for Edmonton-Strathcona.

Mr. Roche: Having in mind that this charge was carried in the New York *Times* Sunday edition, I should like to ask if the government intends to relax its now stringent regulations, recently announced, insisting that prospective immigrants have jobs before entering Canada, thereby tying immigration to manpower in precisely the way criticized by the UN Secretary General.

Mr. Sharp: Mr. Speaker, I want to make it quite clear I was not denying the fact that the statement had been made. I was denying the allegation.

ACTION TO GET UNITED STATES TO OBSERVE ICNAF FISHING REGULATIONS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the difficulties that have occurred between Canada and the United States over the implementation of the International Commission for the North Atlantic Fishery regulations, has the minister taken any steps to bring order out of the chaos that exists in fishing laws, especially as they apply between Canada and the United States and, if so, what action has he taken?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would deny there is any chaos in the relations between Canada and the United States in respect of fishing. My colleague, the Minister of Fisheries, has done an admirable job in protecting the interests of Canada and I expect he will continue to do so.

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CAPE BRETON DEVELOPMENT CORPORATION

ALLEGED USE IN COURTS OF DOCUMENTS HAVING NO LEGAL STATUS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Prime Minister. Based on the delay by the minister of law in providing me with an answer in that he has not told me anything, and I assume he knows nothing, I would ask the Prime Minister if he would investigate why the Cape Breton Development Corporation has used documents in the courts which have no legal status?

Right Hon. P. E. Trudeau (Prime Minister): I will investigate, Mr. Speaker, whether the hon. member is bringing up any new allegation. I think he has talked about this as long as I have been around and I think the Minister of Justice and other ministers have replied to him. I will look into it to see if the allegation has any new facts to present.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, would the Prime Minister talk to the Minister of Regional Economic Expansion when he returns to the House and ask the minister what is the legal status of the agreement signed by the federal and provincial governments on June 13, 1967? From there he will get his answer and he will know very well that Devco has been using documents that do not have legal status. Will he then refer this to the minister of law, not the Minister of Justice who does not know the meaning of the word?

* * *

● (1500)

EXTERNAL AFFAIRS

EFFECT OF GARRISON DAM PROJECT ON MANITOBA—GOVERNMENT STUDIES—POSSIBLE REFERENCE TO INTERNATIONAL JOINT COMMISSION

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct my question to the Minister of the Environment. Has the government done any environmental studies of the impact on Manitoba of the proposed Garrison dam project, and if the government has done independent studies on its own, will he at this time tell the House what is the outcome of these studies?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, some background work has been done. We are convinced that the effects will be unfavourable. More work is under way.

Mr. Speaker: The hon. member for Lisgar will be recognized for a supplementary. We have reached the end of the question period. Following the hon. member for Lisgar I will recognize the hon. member for York West and then the hon. member for Okanagan Boundary.

Mr. Murta: Mr. Speaker, I have just a short supplementary for the minister. If the federal government is convinced that the effects of the proposed dam which is being constructed at present will be unfavourable to Manitoba, has this fact been communicated to the United States and has the International Joint Commission been brought into this matter? Also, has the Manitoba government been informed because they seem to feel that the proposed project will not harm the province?

Mr. Davis: The answer to all three questions is yes, Mr. Speaker.

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AIRPORTS

TORONTO INTERNATIONAL—REQUEST FOR CONTROL OF TAXIS—GOVERNMENT POSITION

Mr. Jim Fleming (York West): Mr. Speaker, my question is for the Minister of Transport. In view of the current taxi crisis at the Toronto International Airport whereby unlicensed cabs are operating at outrageously high prices and pandemonium prevails, can the minister report whether any action has been taken by the cabinet or himself?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as you know, we can regulate the taxis at the airport very well but we cannot do so outside the area of the airport. The only solution to the problem is to have an understanding with the city of Toronto—and this is what we are working on now—so as to cover the whole field.

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INCOME TAX

POSSIBLE RESTORATION OF INVESTMENT INCENTIVES IN ACT TO PROVIDE RENTAL HOUSING—GOVERNMENT POSITION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Finance. In view of the announcement last Friday that the British Columbia government has implemented rent control on residential property because of the shortage of rental units and the resulting increases in rents, will the minister consider, as a means of increasing the supply of rental units, restoring the incentives to investors in rental housing which were formerly provided in the Income Tax Act?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that is a subject worth considering, and I suppose also that within the jurisdiction of the province of British Columbia more emphasis could be put on incentives to the private sector as well.

Mr. Speaker: Orders of the day. The hon. member for Middlesex rises on a question of privilege.

Mr. Frank: Mr. Speaker, I hate to delay the House with this point of privilege and I hope it is a point of privilege, but I take very strong exception to the Minister of Agriculture blaming the opposition for the confusion that exists in the cattle industry in the country as a whole. The Minister of Agriculture announced a program in the House on Friday, without guidelines being laid down, and then came in on the next working day, which was Monday, again without setting any guidelines, and tried to say that it is we who are creating the confusion in the industry.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am sure the hon. member appreciates that he is now making a point of debate. This is not a question of privilege, and I do not see how we can have a debate on a question of privilege based on the statement which the hon. member for Middlesex has just made. It seems to me that he is arguing with the minister. He may be right or he may be wrong, but I suggest to him that this is hardly a question of privilege.

Mr. Frank: I appreciate that, Mr. Speaker. The point I would like to make is that I am sure you cannot realize the importance of the situation which exists and which this government has brought about in the country. Yesterday during the question period we had three small questions regarding the industry. If the minister thinks that the people are not concerned about the matter I would like him to get in touch with his colleague in Ontario. He is concerned and he is in the gallery today.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Why is he not at work at Queen's Park?

Mr. Speaker: Order, please. I am sure the hon. member will agree that this is not a question of privilege and the matter should not be pursued.

Mr. Dinsdale: Mr. Speaker, I rise on a point of order regarding a matter which was brought up during the question period today. The point I wish to raise is an urgent one because the Garrison dam project is threatening domestic water supplies from the Souris River and it is only appropriate at this time to point out to the Minister of the Environment that the IJC is the responsible agency—

Mr. Speaker: Order, please. The hon. member has made his point to the minister on a point of order. May I suggest again that every day we have alleged points of order and questions of privilege which do not comply with our rules, and when hon. members make such points, raise such questions and argue with ministers it is not very good for the orderly conduct of the affairs of the House.

[*Translation*]

The hon. member will excuse me but I think he wishes to rise on a point of order or privilege.

Guaranteed Income

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I rise on a question of privilege concerning the statement made a few moments ago in this House by the hon. member for Laval (Mr. Roy) that the opposition had objected to Bill C-176, the agricultural products marketing legislation. I would point out, Mr. Speaker, that when this bill was introduced in this House the Social Credit Party did not object to it. We asked for some amendments so as to include only beef.

● (1510)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—SUGGESTED ESTABLISHMENT OF A MINIMUM ANNUAL GUARANTEED INCOME PROGRAM

Mr. René Matte (Champlain) moved:

That this House regrets that the government has taken no concrete steps to ensure the establishment of a guaranteed minimum annual income to overcome poverty in Canada and enable each Canadian citizen to cope with problems of rising prices and to fight inflation efficiently.

He said: Mr. Speaker, the gist of our motion is of such importance that I feel the government should consider it very attentively, so as to fill in the gaps which exist at the present time.

Mr. Speaker, hon. members of this party have been ridiculed over the years for advocating the establishment of a guaranteed minimum annual income system which, our adversaries claimed, would be equivalent to "throwing good money away" and inciting people to idleness. Over the past few years, however, all political parties have more or less looked into this idea of a vital minimum income. It is therefore important to conceive such a program and to examine the true fundamental principles which may bring us the best in this area.

The motion which I had the honour to move, Mr. Speaker, aims at blaming the government in a concrete way, for we all remember that it had been proposed in the Speech from the Throne for 1972—it was then a glimmer of hope for us—to have at least an embryonic program of a guaranteed minimum annual income.

Unfortunately, it seems that the government is not yet ready to go ahead with such a program, which explains our motion. Mr. Speaker, we are in favour of a program which, contrary to those administered by the provinces, would replace a ramshackle, unfair, frustrating and expensive system. We are proposing an adequate and fair system which would respect individual freedom.

Mr. Speaker, the welfare programs now in operation in all the provinces, the old age security pensions, the unemployment insurance program, all those programs concerned more or less with welfare are inadequate because they are no longer realistic, and we have to keep improving them all the time. They are unfair because some people need a much higher income than what they are receiving in welfare, for instance, but they are not getting it. Others who do not need allowances are getting them. Under the old age security system, there is a glaring discrimination against couples when one of the spouses is younger or older. It is a case of flagrant injustice when one of the spouses is 65 and the other 60 or 55. They are told to be content with one income, namely $180 a month, including the supplement.

If both spouses are 65, they get an amount of $350, as if, Mr. Speaker, the cost of living for two people aged between 60 and 65 was lower than for two people who are 65. This is unfair. Under our present welfare programs, there is a great deal of injustice. It is a defective program.

Therefore, we are proposing a real program that would prompt people to be even more energetic, more active, that would urge them to work instead of rushing for unemployment insurance as they are doing at present. And this is understandable. Faced with such dilemmas and when the alternative is to work at 30 below in the middle of winter for $90 a week, I understand that someone will hesitate and move heaven and earth to get unemployment insurance instead.

When families earn a very low income in wages while welfare recipients get as much, it is understandable that the head of family who works and earns very low wages longs to live on welfare.

Mr. Speaker, it is our present system that makes people take such an attitude. In my opinion, this is a very serious matter and I intend to prove that our party has been advocating this program for a very long time and wishes to bring it back to its true proportions.

Nowadays, there is much talk about guaranteed annual income. Many economists have endorsed the principle of guaranteed income. All federal political parties have considered at their conventions the implementation of such a policy. Many countries, and even a Canadian province, are now trying out these programs.

The Senate Special Committee on Poverty, chaired by Senator Croll, recommended this policy as the most efficient way of dealing with the problem of poverty in Canada during the seventies. Many people, including the most influential members of the present government, have not agreed yet to implement this guaranteed annual income program.

But, Mr. Speaker, nobody now is making fun of the idea of establishing such a program, that could be set up today and this I believe is a great step we have taken.

According to many books published recently on the various guaranteed income plans, it is said that such a concept has become popular only since 1966. However, we must point out that the Social Crediters called for such an income distribution program many decades ago.

The Social Credit proposals as to the best guaranteed annual income program are still much more advanced than most systems, the objective of which is to provide for a sufficient and vital income for all, so as to guarantee them a decent living.

Quoting the words of Social Credit founder Major C. H. Douglas is enough to show the truth of that assertion. Douglas called for the payment of a national dividend to all citizens to meet their essential physical needs. The

object of such national dividends was to increase people's income so as to permit the maximum use of the benefits of industrialization and automation.

In 1924, Douglas specified the three basic principles that should be followed if the transition to a productive system based on machinery is to be successful rather than disastrous. The third of those principles was, and I quote:

> That the distribution of monetary credit to individuals must be progressively less, according to the worker's salary, which means that the dividend must progressively replace salaries.

Ten years later, during a radio broadcast, he described the effects of such a policy in the following way, and I quote:

> The actual effect of a national dividend would be:
>
> 1. to provide for individuals an income source which, although it would be desirable to increase it through work, could nevertheless ensure the purchasing power needed to maintain the individual's independence and health.

● (1520)

> By thus providing a regular demand for our production system, it would already be a major step to stabilize conditions in the business world and would assure producers a constant domestic market for their goods.

When considering those comments, we are led to realize how strange it is that throughout the discussions recently held on a system aimed at increasing personal incomes, nobody has ever admitted that Crediters have been demanding such a program for decades.

How can such a situation be explained, Mr. Speaker? Is it possible that those who denounced or ridiculed the proposals of the Social Credit are embarrassed because they are compelled by events to consider, in order to deal with our economic problems, the same solutions which they ridiculed and disdainfully rejected?

Mr. Speaker, I think that it is now essential at this stage of my remarks to show that the guaranteed minimum annual income is a right to which all Canadians are entitled.

When a guaranteed annual income is proposed, it is often believed that government has the right to accept or reject it. The Social Credit Party of Canada asserts that the guaranteed annual income is a basic question. Payment of an adequate income to each member of our society so as to look after his basic and essential needs is not a government favour to be granted or taken back according to the decisions of a few individuals who are momentarily in power.

In fact, guaranteed income is a right of the individual, and in any modern and prosperous economy, this right must be recognized. We must realize that the philosophy underlying the actual methods of income distribution is basically primitive compared to the attitudes of civilized societies of some hundred years ago, when means were much more limited than they are today.

Policies that would deprive someone of the necessities of life so as to force him to work under some other person's rule are negating a civilized society's ideal. More than 2,000 years ago, Aristotle said that any man forced to do anything to earn some money is nothing more than a slave.

Former American president and political philosopher Thomas Jefferson said essentially the same thing when he stated that every man must possess enough earthly goods to look after himself, for in other cases, he would be reduced to the level of slave who depended physically and mentally on other men.

Professor Erich Fromm wrote, and I quote:

> A guaranteed income would not only establish freedom as a reality rather than as a slogan, it would also establish a principle which is deep-rooted in the humanist and religious tradition of western civilization, namely that man has a right to live. This right to live, this right to have food, shelter, medical care, education, etc., is a basic human right which should not be restricted under any circumstances, even under the condition that man should be useful to society.

This tradition aiming at putting each individual in a position of economic independence so as to give him free moral determination was one of the achievements of our civilization in the past. The government rejected this principle in speech and in action. However, it has no right to do so. To deny its citizens the basic right to economic security is simply to deprive them of a birth right. I will indicate how this is so. We, Canadians, are fortunate to live in a rich country. However, many Canadians do not get a fair share of our affluence. They are not in a position to claim effectively a share of our common wealth. If we understood the actual basis of our wealth, we would realize that we need a new system that would enable individuals to claim and obtain the share of our riches which they need and which is their due.

The concept that a small group of individuals can monopolize practically all our wealth and keep all the profits for themselves is unacceptable. This concept results from a misunderstanding of the notion of wealth and of its sources.

In the past, it was thought that all wealth was a product of three interacting factors: land, labour and capital. This essentially materialistic concept did not take into account other factors which prevailed as production developed through increasingly sophisticated techniques.

One of these factors is what may be called the free benefits of partnership. This means quite simply that people can achieve more by co-operating than by going different ways. For instance, ten persons who work together systematically to meet their economic needs can do much more, and much more easily, if they unite instead of trying to work separately. This "surplus" that results from the common effort belongs naturally to all and should be distributed among all.

Another intangible factor of modern production is our cultural heritage. Our generation has the capacity to offer material abundance to all, but only an idiot would put down our position to our efforts alone. Without the contributions of previous generations, our civilization would not by far be as developed as it is today. Technological knowledge has been accumulating in human society for centuries, since and even before the day when a brilliant individual became aware for the first time of the potential of the wheel. Without the benefit of this tremendous heritage we received from our ancestors, we would not be any more advanced than the most primitive tribes of the world. Who would dare deny that every member of our society today has the unalienable right to participate in the profits of that heritage? Dealing with that question in

his volume entitled *Social Credit*, Major Douglas wrote the following, and I quote:

It seems difficult to deny that society in general taken as an entity and not because of its titles to nature, work or capital would not be the natural heir to it. If ownership of the wealth produced is assigned to the proprietors of the factors which contributed to their production and if the proprietors of the heritage of industrial arts make up society in general it also becomes difficult to deny that the major proprietors and true beneficiaries of the modern system—

Mr. Speaker: I must interrupt the hon. member for a moment simply to remind him that according to the note I have been handed his time is up. However, a review of the situation indicates that he still has nine minutes to go. I apologize to the hon. member for having temporarily interrupted him.

Mr. Matte: Mr. Speaker, I think I started my remarks at around 3:10 and I am entitled to 30 minutes.

Mr. Speaker: That is right. I indicated to the hon. member that this information is correct. I apologize to him, he still has nine minutes to go.

Mr. Matte: Thank you, Mr. Speaker. I continue:

—the true beneficiaries of the modern system of production happen to be those individuals who make up society as such. To deny the common nature of that heritage would have the effect of setting in motion the process of disintegration of society as we know it.

Major Douglas was then brought to the inevitable conclusion that the equivalent in terms of money of the contribution of those intangible factors, that is the free benefits from association and cultural heritage added to production, must belong to the members of the community in general.

Consequently, when we insist on the need for a universal guaranteed income program, the Social Credit Party of Canada is not satisfied with asking the government to be more generous than it has been up to now. This party contends that the government's current policy deprives people of the fruits of their common heritage and a guaranteed annual income would only give back to people as a whole what they were lawfully entitled to from the beginning.

Mr. Speaker, how can we establish a real guaranteed income program? I believe that we should follow these principles. For such a system to be efficient there are essential conditions to meet. This is important because several suggested programs would spell the downfall of the economy or would merely fail to meet their main object which is to overcome poverty. We consider the following criteria as necessary and essential.

First, the program must provide each individual with adequate food, clothes and housing.

Second, the benefits must be paid on a universal basis in accordance with the principle that these benefits are in fact a heritage to which each member of our society is entitled.

Third, in order to promote rather than discourage personal enterprise and the desire to work, the basic tax exemption should be higher so that the vital minimum will not be taxed.

Fourth, the guaranteed annual income program should be financed not only from taxation revenues, but with new credits according to the real wealth of the nation. This is the answer to the question asked yesterday by the hon. Minister of National Health and Welfare (Mr. Lalonde). Thus, instead of contributing to the already crushing burden of the debt, a debt we have no means of paying except by making more debts, the guaranteed annual income will really increase the total purchasing power of the community. It would be insane to finance this program since debts are a mortgage on future income and the community would derive no long term benefit.

● (1530)

Mr. Speaker, each time we put forward such solutions, we are always given the same objections: All right, but where are we going to take the money? We will take the money not only in taxes but in new credit. I see the minister imitating the "dollar machine", Mr. Speaker. That is an old joke, he could find others which are more up to date. When we know that we have all the material and human potential to produce ourselves everything we need to meet our essential needs, Mr. Speaker, absolutely nothing prevents us therefore from issuing the credits. The minister cannot make me believe that a bridge or a road is built with money, because I have always seen a bridge built with concrete, iron and materials. If these materials are there in abundance, if we have the labour needed to do it, if we have the know-how to design plans, nobody can make me believe we need money. If we need money, it is to keep the wheel going and not the "dollar machine". And to keep the wheel going, Mr. Speaker, we just have to issue the credits we need.

In conclusion I shall simply mention what the guaranteed minimum income should be. In my opinion, the tax exemption for single people should be increased to $3,000, thus to $6,000 for a married couple, with an exemption of $500 for each child.

Our system, Mr. Speaker, would be very simple. I can explain it in a minute, I think. It would be sufficient to give $300 a year to every Canadian who is 18 or less and $1500 a year every citizen from 18 to 60. At the age of 60, the person would receive $250 a month and if married, whatever the age of the spouse, the spouse would receive $200, which would make $450 per couple. The amounts are the same for disabled persons: $250 a month, and $200 for the spouse if the person is married. For a widow with children, there would be $250 a month, plus $500 a year for each child.

Mr. Speaker, regarding the figures I have mentioned, the minister may well say: You speak in terms of billions and billions! We made the calculation ourselves and realized that this program would not require much administration. The question is to know whether the individual is Canadian, still lives and how old he or she is. That is all. Only the case of disabled persons may require a more thorough investigation, but by reducing clerical work to a minimum, the cost of such a program would be only a few billions more than the cost of all the welfare programs we now have in Canada. If, in addition, we apply the basic principle that normally the minimum income should come from our national dividend, which means that we would not be relying exclusively on taxes to grant it, we will be able to establish a system that will make each and every Canadian a truly free citizen who will know that nothing

prevents him from working to supplement the guaranteed minimum income. At the present time, the unemployed or the welfare recipient is under close watch and if he dares work, the benefits are cut off. Mr. Speaker, that is why there is such an unemployment insurance rush.

Such a system would encourage the instinctive ambition which is common to all men, that of having as much as the others, as well as a healthful rivalry. Who would not work, Mr. Speaker, even if only at $30 or $40 a week, in order to increase his minimum guaranteed income? Who would not do it?

We would no longer be faced with situations where we have to bring in West Indians to pick apples in Quebec, since inadequate programs established years ago have taught the people to stay unemployed. They are right to do so because the systems are false. We should therefore seriously consider establishing a minimum annual guaranteed income such as the one that we suggest.

[*English*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I think this is the first time that I, on behalf of my party, have had the opportunity to respond as first speaker to a motion proposed by the Social Credit Party. I should like to say to the hon. member for Champlain (Mr. Matte) that I find myself a little ill at ease when I hear him discussing monetary policy and, sometimes, general economic policy. However, I have noticed in my years here that his party from time to time has made vigorous and consistent advocacy on behalf of the people of Canada who most need assistance. They have been good spokesmen for the poor people of Canada. I commend them for that. May I say in a personal way that I wish to extend good wishes to the hon. member's leader, the hon. member for Témiscamingue (Mr. Caouette), who has struck me as one of the most interesting, effective and entertaining parliamentarians in this House. I extend to him my good wishes for his health and recovery.

The mover of the motion was profoundly right in pointing out that although we are a rich country, although Canada is always in the top bracket of the "have" countries—in any great gathering of developed countries Canada is always included—although we are rich, with great resources and a productive people, one Canadian citizen in four or five lives at or below the poverty line. God knows, those at the poverty line do not enjoy gracious living by any means. It is certainly not gracious living at a time of rampant and uncontrolled inflation. I understand that while one in five, or perhaps it is now one in four, of our citizens as a whole are living at or below the poverty line, half our people 65 and over are at that terrible level.

● (1540)

There must be something wrong with a system which year after year can tolerate so much poverty in a rich country. I often think of the colossal gall of the political party that can bring that about year after year, and yet somehow insist to the people of Canada that they and they alone should be given the power to govern this country. Is there no better time for the party presently holding office to have the humility to ask if it is, in fact, doing well enough for the people of Canada.

We have to find some way to improve the situation for more of our Canadian citizens. We all know there are many, many programs. There is a proliferation of programs, municipal, provincial and national, whereby the state in one of its emanations tries to assist the people who need assistance. We have our select groups. We give so much to the old people. They are not getting enough. We give the disabled so much under the aegis of the provincial government. The stories we hear from some of these people are very, very shameful. Someone once said you almost have to be dead and be able to prove it before you are regarded as wholly disabled by some authorities. We have our family allowances which give a measure of assistance to those in that group. We have much further to go.

We should look carefully at the suggestion which the hon. member has put forward. He pointed out that his party first advocated it. There are other groups who have suggested a guaranteed annual income. One must be very careful what one says about the gentlemen in the other place, but they are rarely described as starry eyed radicals. However, the Senate committee on poverty produced a very interesting document. I believed they worked sincerely when looking at the problem. They advocated the establishment of a guaranteed annual income program. I do not know how seriously their suggestion was taken by the present government, but surely such a group of competent and senior legislators lending their support to a proposal should mean something. When I first heard the expression "guaranteed annual income" used, there was a great shying away from it. People were suggesting this was some device for legislating, legitimizing and eternalizing laziness, bumming, welfare and so on.

We have to look carefully as to whether we might be at a stage where we should consider replacing a whole congeries of programs by something which is more efficiently organized and more universal in its application. The sympathetical feelings I have toward the guaranteed annual income are along the lines of its possible greater efficiency. We know that in society there are people who must be given security. We must do more for our aged people. We must do more for those between 60 and 65. Last session I referred to the amusing, if it were not so tragic, situation whereby if you are 90 years you can work all you like and get your full Canada Pension Plan, but in a more productive period, if you work you have your pension deducted.

All across the land today we are faced with people who are opting out of the work force and getting more fully involved in programs of assistance from the state. That is disturbing. I do not think we should ever have a situation in which if someone is employable, it is more to his benefit to receive state aid than to work. However, I receive hundreds of letters from people who are receiving a small pension. If they go out and find a small job, every single dollar is knocked off their pension even though quite often the two together are not sufficient to keep the man or his family going.

We have to get back that incentive. We have to stop what is far too common, the bureaucratic impinging on citizens who desire to work. I know that in every society down through the ages there are some people who are going to swing the lead, to beat the rap, but I cannot

believe otherwise than that the great majority of Canadians would prefer to work than to be unemployed and receiving a miserable pittance from the state. Therefore, I think this thing should be considered.

I would like to say to the hon. member that I attended a very important national meeting yesterday and the day before. Many useful things were discussed there. I refer to the meeting of the Progressive Conservative party of Canada. One thing we did discuss. The hon. member will be pleased with this. We reiterated our view that the spouse of a 65 year old recipient of OAS and other pensions should also be given that pension. I think it is a good thing. There is nothing personal involved in this, but it would be in the interests of a young wife to look after the husband if he is getting along in years. Keep him healthy. Keep him well. Keep him there! In a more serious way, it is only right, just and proper. It is an anomaly for a wife age 61 with a husband age 67 and both be treated by the state as if they were a single individual. I agree with the minister that it might be the other way around. Sometimes the young man may get the older lady. It is a matter of taste, preference and luck.

Mr. Knowles (Winnipeg North Centre): What about the 61 year old woman who is single?

Mr. Macquarrie: I do not want to conduct a whole symposium on what should be done in every individual case. However, if hon. members wish to write me a letter, I will be glad to render a decision on each one.

Mr. Knowles (Winnipeg North Centre): How about lowering the age from 65 to 60?

Mr. Macquarrie: Since the honourable and venerable member for Winnipeg North Centre (Mr. Knowles) raised the question, at our national meeting we did discuss that very question of lowering the age from 65 to 60. I do not believe we should put people out to pasture when they are 60 years of age. I think we may be at the stage of development in our country where he or she who wishes to retire at age 60 should be able to do it in decency, comfort and dignity. I think this country is able to do that for its people.

I come back to another aspect that the hon. member has mentioned, that is the important aspect of incentive to work. It is said that we Presbyterians are great believers in the work ethic. We are told that the work ethic is dead. I have often been told this. However, it is not dead in those countries that are competing with us in the market places of the world. It is not dead in Japan, Germany or Switzerland. In these countries they are concerned when there are 100 people on the unemployment list. We are supposed to become accustomed to 750,000 month after month. We find that these are countries which still believe, apparently, in the work ethic, and they are taking markets from us. Whenever I go abroad I like to go to the harbours because I was born near the sea coast in Prince Edward Island. You see the flagships of nations all over the world but you won't see Canadian flagships there because in our outrageous stupidity we took ourselves out of the merchant marine, and we are losing out in competition all across the world. Other people have asked for consideration of the guaranteed annual income. Reuben Baetz of the Canadian Council on Social Development said not long ago in one of the reports issued by that organization:

● (1550)

> It is my personal view that Canada both can and should provide, as a matter of right, sufficient income to support an adequate standard of physical and social well-being for all its people. This is based on a principle of social justice, now generally accepted in all advanced countries.

So I say to the hon. member that he is in good company. He is in company with Reuben Baetz and with the Senate of Canada. Other submissions have been made by the Canadian Labour Association. There is the Report on Poverty, and I suppose we can even say we have the orange paper. We have the program where now we are moving to a guaranteed income for some sectors of society.

There is a big experiment going on in Manitoba, and I assume the minister will tell us about it later this evening. I hope this experiment provides good results. I think it would be prudent to study the results most carefully. I have thought about a guaranteed annual income for a long time and I am like King Agrippa—I am almost persuaded. I am a little troubled about the effect on incentive as I implied in my earlier remarks. I hope it is an efficient method and that it will not come as just another layer on top of those we already have. In a highly bureaucratic society such as ours this might be a danger. But my own orientation is one of sympathy, and I am inclined to believe this is an idea which is coming into its own time.

When I first came to this House, the idea was way ahead of its time but I think now we may see it. I commend the hon. member for his interest and the philosophical manner in which he put forward his proposal. I liked his speech very much, especially when he referred to my favourite American of all time, perhaps one of the greatest men of all history, Thomas Jefferson. His quote from Jefferson was a very enduring one. So, we have Thomas Jefferson, the Senate of Canada and Major Douglas all on the same wave length.

It is important that we who are trying to represent our people—and we should care most for those who need care in our society—should set aside a day to deal with such matters. I have always been touched by the condition of our poor people, but in the last year or so, since I have been given special responsibilities within our caucus and have had the opportunity to hear from literally thousands of Canadians, I am all the more sensitized to the fact that far too many of our people are finding life far too hard. There is a vast area in which the government must move before we have anything even close to social justice, especially for the aged, the disadvantaged, the dispossessed. I think right now we should be able to say to the unemployable man that he will be looked after, that his problems are at an end, that he does not have to degrade himself by proving his incapacity and his poverty. That group should immediately be allotted a guaranteed income, if you like to call it that.

We must always be sure that the administrators temper their interpretation of the regulations with compassion. I had a man tell me he went in and asked how he could qualify for old age security. They said, come back in 33½ years and you will be all right. He said, I am 88 now.

Imagine telling him to come back in 33 years. He is an Irishman from Prince Edward Island and the rules do not permit a repetition of his remarks, but his language was explicit. I took up this matter with the department concerned and they got it down to eight and a half years through a new interpretation. That would make him 96½. Another woman wrote who had tried to get assistance. They said, you own a house, lady, and you own a car. Sell both, then come back and qualify. That is terrible. Far better the system suggested by the hon. member than these efforts to economize a little on the backs of the poor.

I think the greatest sin of the government, and it has many, is that its surrender to inflation has left on the field the poor, the aged, the people with little savings and the people with no savings, the people with fixed incomes, the people who thought they had provided for their own security, the people bereft of those who had earned for them. These are the victims of a cold, callous, insensitive government which says: inflation is a way of life, there is nothing we can do about it. There must be something we can do about it, and at another time I shall be able to tell the House and the country about some of the decisions we made when we decided down at a hotel the other day what we are going to do.

Suffice it to say I am interested in this well-presented motion. I commend the hon. member for Champlain and his party for their concern for the poor of this country. I will think increasingly about their suggestion, which contains a great deal of merit. There are some things which still trouble me, but I think he has made an important contribution to the discussion of a most pertinent subject.

[*Translation*]

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, the members of our party rejoice in the fact that our colleagues of the Social Credit Party of Canada have decided to move this motion in the House today.

Ensuring each citizen, man or woman, each family in Canada sufficient income to meet the needs of modern life is a formidable task. Still, giving control of the means to coexist with the big industrial and financial companies that dominate and control our whole existence is the most imperative task in our times.

● (1600)

[*English*]

I am very glad to have this motion from those over in that corner. As a matter of fact, I know that our colleagues in the Social Credit Party have pioneered along these lines. Perhaps they do not realize that for 30 years we have had a guaranteed income in our program, and we as a party have been working steadily toward the same aim ever since that time.

For all those years we have advocated a guaranteed income. When we could not get it, we did what the people have had to do—settle for this patchwork that is involved in their social security scheme. The difference now is that while many years ago a guaranteed income seemed to be an impractical dream, today it is becoming the practical next step that must be taken to provide social security to people all across the country. It is becoming something that must be done. We are finding that the social security network that we have is overlapping in many areas and is wasteful. It does not reach the people who really need help and does not do a job of protecting whole groups of people who are in a very bad way indeed.

I was glad to hear my Social Credit colleague mention two features that are essential in a guaranteed income scheme. One is that it should be universal, that it should cover all groups in our society. The second is that it should not provide a disincentive for people to work. People should be encouraged to add to their income to the extent of their ability and capacity. I think both these features are very important.

As I say, I think the guaranteed income is the very next step that has to be taken in providing social security. I should like also to point out that there are three provinces where experiments along this line are now being made in a practical way. They do not embrace the whole population yet since provincial revenues are not sufficient for that. Further, it is essential to have the necessary expertise and at the start we do not have this.

May I point out that in Saskatchewan, Manitoba and British Columbia experiments are being conducted in this field, and it is no accident that these are three provinces with NDP governments. They are provinces whose governments believe that, in order to plan social security, and indeed the whole economy in an intelligent and sane way today, the needs of the people must be placed in the centre of the picture and the economy must be built around them, instead of having the great corporate interests in the steel, coal and other heavy industries looking after their interests first. This sort of thing leads us into more and more trouble every day that goes by.

In the three provinces of Manitoba, Saskatchewan and British Columbia the governments have shown the courage of their democratic socialist convictions by placing human beings in the centre of government planning and public thinking. They have had the courage to experiment along these lines. Saskatchewan has just started, and so has Manitoba. As a matter of fact, Manitoba has the backing and full co-operation of the federal government. This was the only province that the federal government could find willing to go along with such an experiment. British Columbia, of course, has its own scheme. Ontario would not experiment. If that is not true, I wish the minister would contradict me; it would be the sweetest contradiction I have had in a long time.

The big, powerful and wealthy province of Ontario considered this idea, but unfortunately the idea of every man for himself, of dog eat dog, is too strong in the Ontario government for it to try any experiment in guaranteed incomes for those really in need. Obviously, they are not ready for such a program yet in Ontario. If members like the hon. member for Hillsborough (Mr. Macquarrie) ever reach a majority in that government, then I imagine that within the fullness of time they will have some influence, or at least I hope they will.

In British Columbia things are moving. They have had their guaranteed minimum income assistance plan in effect for well over a year. It is known as Mincome. At first it covered all low income people 65 years and over, and guaranteed them an income of $200 a month. These people added up their income, and Mincome brought it to $200 a month and no less. The program was well received,

it paid dividends in the form of contentment to the elderly. It also removed people from a number of other expensive programs. Then, last October 1 the guaranteed income age was lowered to 60 and over. Anyone living in British Columbia 60 years of age and over, whose monthly income does not amount to the Mincome figure, has their income brought up to that figure, no matter how much the differential. Furthermore, the program now applies to the handicapped at age 18 and over, though there are some differences in application.

As I say, the Mincome experiment in British Columbia began with guaranteeing a monthly income of $200. They are now adding to that $200 the federal old age pension increases and increases in the supplement. At the present time, people over the age of 60 in British Columbia are guaranteed by the provincial government an income of not less than $213.85 per individual, or $427.70 per couple. In arriving at this figure, their income is counted but not their assets, such as house, bank account or other asset. These items are not taken into the calculation. About 127,000 people are now benefitting from this scheme in British Columbia, and the intent of the program is to bring security through a guaranteed income so the people in the province can live reasonably comfortably.

Lowering the age to 60 also did something else. A great many people between the age of 60 and 65, as all of us know, are finding their work a strain. They are breaking down in sickness or are trying to find other jobs. If they are not successful, they try to manage on their own pitiful revenue and wish to goodness that they were 65 years of age in order to qualify for Mincome. Now that they can qualify at age 60, this is a very great blessing to them indeed.

The program is intended to provide those who have reached the age of 60 with sufficient income on which to live. I think it is an excellent program and we would do well to watch progress in this area, though we should not wait too long. I am sick and tired of members in this chamber continuing to sit and watch misery, injustice and suffering in face of the ever-increasing cost of living, but not doing a darned thing about it. We do not need to sit and watch this kind of program indefinitely. I have been assured by all sources, governmental and those involved, that the program is working extremely well in British Columbia, and I think we should have the courage to implement it on a larger scale. The program has been directed toward the elderly and the handicapped but I think it should be extended throughout our society.

I am aware of the dangers outlined by the hon. member for Hillsborough, and this is why I do not think that the guaranteed income is the answer to all our woes. I do not think it is the panacea, the new heaven and new earth in itself that members across the way seem to think it is. I think other measures must supplement it. Mr. Reuben Baetz made it clear all along that guaranteed, worth-while employment, along with a guaranteed income, must be assured those who are young and able to work. This is something we do not have today. I say "guaranteed worthwhile employment".

[Mrs. MacInnis (Vancouver Kingsway).]

● (1610)

Many young people have copped out or opted out of jobs which they find miserably deadening and in which they have no interest. Many young people, even those with university training do not wish to be a cog in an industrial machine, a servant to computers of a handmaiden to machinery of any sort. That is not worthwhile. While there are many faults to be found with the Local Initiatives Program and the Opportunities for Youth Program, they have at least pointed the way to the truth that there are many kinds of community jobs and services to people which in many ways could be carried out by young people. The young people like to perform these functions if they can find a way to live while so engaged. There should be more of that kind of job. This relates to helping the elderly, the sick, the retarded and young people in the field of sports, athletics and so on. There are a host of such things.

Along with the guaranteed income must go guaranteed productive work. If we do not provide that we will be running into what the hon. member for Hillsborough and I are afraid of; that is, the young people will sit there in an unproductive way and later we will never get them into useful activities no matter how necessary they may be. I want to see both these things go hand in hand. In addition I think they should be accompanied by a system of fair taxation. I believe we should get the dust off the Carter Report to see what he recommended, and if there are any latter-day Carters so much the better. No matter how one receives income, taxation should be applied fairly and evenly. If we had such a system we would find that some of those corporations with broad shoulders, which are now getting away with murder in respect of not carrying a fair share of taxation, would be bearing much of the taxation which today rests on the shoulders of the poor low-income people who are opposed to progress for the simple reason that they cannot stand the burden of financing it. If we had proper productivity and productive and useful work added to a guaranteed income and added to fair taxation, we would have a good start on the way to a much better way of doing things.

Now, I should like to talk about what is happening in too many Canadian homes. I think part of the picture is given in an address by Miss Sylva M. Gelber, Director, Women's Bureau of the Canada Department of Labour. She said:

> There are today in Canada nearly three-quarters of a million (678,035) working women who have over one and one-third million (1,350,000) children under the age of fourteen. They are the wives of men whose families consist of one or more children under fourteen and who have a median income of less than six and one-half thousand dollars ($6,454) per year. Or they are women without husbands as in the case of some sixty thousand (60,083) of them.
>
> There are also today in Canada about one-third of a million (331,434) women who are the sole support of families; the vast majority (206,117) are widows. Consider with these, almost a million (925,000) single working women, and it may be fair to assume that the vast majority of women, particularly married women with young children who double their own burden by going out to work, are employed because of economic need.

These are women in the low-income groups. There are vast numbers of them. They must go out to work and neglect their homes because they cannot afford to hire babysitters or housekeepers. I suggest that if we had a

guaranteed income this would go a long way toward allowing these people to go back to the home. They are tearing themselves into pieces between working in the daytime and coming home miserably tired and overburdened, in an attempt to cope with their family and housekeeping duties in the evening. Then, there are single women, women without husbands, women who are divorced or separated, who are trying to do the double job of working and housekeeping. Then, there is the woman whose husband's pay is so low that she must join her little pay cheque with that of her husband in order to meet their needs. Here is where a guaranteed income would be of great benefit not only to the women but to Canada. We want to keep our Canadian homes on good foundations. While women who have better incomes, better education and financial backing can carry on careers without neglecting their homes, these other women cannot do so. I think a guaranteed income would help these people.

Then, we have heard about the women whose husbands are in receipt of the old age pension but who themselves have no chance of receiving it for a few years. Such a woman might be 45 years of age. I say to you, Mr. Speaker, try to find a job for a woman 45 years of age unless she happens to be highly qualified in a technical way. She is simply out of luck.

These are some of the reasons we support the idea of a guaranteed income. I want to agree with the hon. member for Hillsborough and the hon. member who introduced this motion by indicating that this would be a mark of the degree of our civilization if we could now bring in this measure. In this last year we have seen the utter futility of increasing pensions when the people see the dollars being eaten away because of increased prices, increased rents, the increase in the cost of clothing and many other items. There is no sense in this. We must have some stabilized form of income if we are to have a secure and decent life for the Canadian people. Let us think in those terms. If a guaranteed income is to work we must think in these terms, and our party will push for this no matter where the move originates or who introduces it.

Mr. Norman A. Cafik (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, the motion we have before us today introduced by the hon. member for Champlain (Mr. Matte) is really in three parts. The first is that the government has taken no concrete steps to ensure the establishment of a guaranteed minimum annual income to overcome poverty in Canada. The second element deals with Canadians coping with the problem of rising prices. The third is almost the same. I presume the hon. member means that the guaranteed annual income he has in mind would be in fact an efficient and total way to fight inflation.

Since there is not sufficient time to deal with all the elements involved in this motion, I should like first of all to try to deal with the question of a guaranteed income in order to overcome poverty. Some of us often forget that there is a guaranteed income in Canada now. Although it does not cover all people it certainly covers the senior citizens in this country. This fact is often conveniently overlooked. For instance, as of January 1, 1974 the OAS and GIS payments to single people are $183.99 per month and to a married couple $351.02. That in essence is the guaranteed income level for people over age 65. This factor cannot be ignored when talking about a guaranteed income in Canada.

The other point I should like to refer to is that made by the hon. member for Vancouver Kingsway (Mrs. MacInnis) when she said that these benefits are often eaten away by inflation. I am sure the hon. member and all hon. members in this House realize that the increase in the cost of living is automatically added to the amount of the OAS and the GIS payments to our senior citizens on a quarterly basis. This means that if it is eaten up in one period, it is made up in the next period. That fact also seems to be forgotten by many people.

● (1620)

The other point is that we must look at the problem of a guaranteed annual income in the perspective of the over-all social priorities in Canada. On April 18, 1973, the government tabled a working paper in this House on social security. It deals with this very question and a broad series of other questions relating to the wellbeing of Canadians, particularly those on social assistance of one kind or another. In addition to the working paper there has been much action as a consequence of the proposals put forward at that time, specifically in relation to a guaranteed annual income, especially in the province of Manitoba. As a matter of fact, there the project the federal government is in the process of embarking upon is a guaranteed annual income experimental program at a cost of $17 million, 75 per cent of which is provided for out of federal funds. This program will cover approximately 2,500 families over a period of three years and its purpose is to find out the social impact of a guaranteed income program in this country.

It is important to note that such a program leaves many unanswered questions. It is not good enough to simply say that we need a guaranteed annual income in Canada. You must find out what kind of levels we are talking about, what kind of recovery rates are involved for income that is earned by people outside of the amount guaranteed by the government. There are a whole lot of unanswered questions, and it is imperative for any responsible government embarking on a program of such significance to find out what the impact is on society in general, particularly on the question which is very central to the minds of all of us, namely work incentives in our country. That program is a very important step forward in determining answers to the whole matter of guaranteed annual incomes in Canada. It is a very important project, one that the federal government has embarked upon with the province, and I am sure that it will shed very substantial light on the over-all question.

However, I think that in addition to that program one must look, as I mentioned before, at the over-all problem of social security in Canada. The review that was embarked upon on April 18 is founded on a number of essential principles. I think that one of the most important principles underlying that review was that the Minister of National Health and Welfare (Mr. Lalonde) in conjunction with provincial ministers of health and welfare agreed upon one essential point, namely, that the problem of jurisdiction and of who is responsible for the implementation of what kind of program, should be set aside for the

time being and that both levels of government should consider the real question as it affects human beings. Obviously, they are the ones whom all governments are elected to serve. That was accepted by all the ministers and the review is going forward taking into account the broad range of social policies that exist in Canada on all levels. They are being considered so as to try to sort them out and co-ordinate them in such a way that the bureaucratic jungle that exists in part in social security in Canada will be eliminated and that people will be served to the maximum.

In addition to that principle, there was a second one that I consider to be very important which relates to people as well, that is that the service that is provided by all levels of government to those in need in this country should be co-ordinated in such a way that individuals looking for assistance will not be shunted from pillar to post in their search of the right kind of institution or level of government to be of service. Personally, I describe that kind of approach as one where we will provide, in the long run I hope, what I would call a "one stop service centre" where municipal, provincial and federal government agencies will be housed under one roof so that individuals and communities will be able to go there and obtain assistance without the kind of red tape that often exists when people seek help from governments at present.

In addition to this, we feel that it is very important that we rationalize the whole question of social security in Canada. To that end, this paper has provided a whole series of suggestions to the provincial levels of government regarding what should be done. The objectives of the review are very simple: first of all, to provide an acceptable basic income to all Canadians without which they cannot adequately survive; second, to make sure that we provide universal access to the essential services required by people in this country, whether it be housing, hospital or medical care, legal aid or any other assistance; third, the objective is to provide assistance to people in emergency situations where the general over-all policies do not fit and to take their individual circumstances into account.

It is important in such a review that the various levels of government take into account the essential belief of all Canadians that in so far as possible we should be independent, that we should try to provide for ourselves and that the purpose of a social policy is to look after those who are unable to provide for themselves. The policy is a recognition of the principle of independence and its value, and a recognition of the need of interdependence so that others can look after those who are unable to look after themselves.

The elements involved in social security are pretty clear: first, the need for minimum wages in Canada at adequate levels; second, the need for insurance programs to provide a vehicle for those who try to provide for themselves so that they can look after themselves in cases of emergency requirements such as unemployment, sickness, injury, disability, hospital, medical assistance, and so forth; and third, to provide to those who are working at minimum or near minimum wages income supplementation so that they can provide for themselves without being forced to seek assistance under various welfare or social assistance programs.

[Mr. Cafik.]

I think that any real worthwhile social security system in Canada that will be developed as a consequence of this important review must be acceptable to the people of this country. That is inherent in any program that is brought forward in a democracy. That program must reflect and not distort the social values that are held by Canadians. The program must be in harmony with and not opposed to the real economic forces that exist in our country. It must be fair and humane and understand the real human needs of people. It must be fair, not only to the recipient, but to the person who pays the bill, namely, the taxpayer. It must be designed in such a way that it will effectively combat poverty in this country. It must be a system that is simple and understandable to the people who will use it. It must be capable of being effectively administered so that there is no wastage of funds in the administration of it and so that the majority of resources do not go to running the system rather than to those who are in fact in need of help. It must complement and be accessible to the people of this country and take into account the institutional services that already exist, some of which will continue to exist after the review.

● (1630)

In the social policy review the federal government, through the Department of National Health and Welfare, came forward with 14 basic propositions for consideration by the provincial governments. I would like to run through them very briefly.

The first proposition is that whatever we decide on, it must not provide a disincentive to work. It must be an effective instrument to provide a real meaningful incentive for people to work.

The second proposition is to assure that governments, on all levels, do everything possible to make sure that work is provided for those who need work.

The third proposition deals with a community employment program where both levels of government, through co-operation, should establish ways and means of taking up a shortfall in employment where the private sector cannot always achieve it, by providing some level of community employment that is socially useful and necessary.

The fourth proposition is to assure that the system provides social insurance and incentive to our people to save for themselves today, and also in the future.

In addition to this, in terms of an income supplementation strategy, which is a very important element of the review, proposition five deals with the need for family allowance increases. On that subject the paper recommended that there would be nearly a threefold increase in family allowances from an average of $7.21 a month at that time, to an average of $20 a month across Canada. Not only is that a proposition and a recommendation, but in fact it has indeed been implemented at this particular time.

Those family allowance changes themselves have increased federal expenditures from 1973-74 to 1974-75 by $1,072 million dollars. That is a lot of money to provide a higher level of income to those who are looking after children, and who have an obligation to do so. It has a tremendous impact on providing a greater incentive to work because that amount of money is automatically, obviously, added to the money that people earn when they

are out working for a living. This recommendation has already been implemented.

Proposition six talks about income supplementation. Both levels of government are pursuing this actively now to decide on levels of income supplementation, and ways and means to implement it, so that people who are working for a living can find it possible economically to do so, without the kind of disincentives that exist at the present time. Those disincentives that exist now are a consequence of the relationship between what one can secure on welfare in Canada and what one can earn on minimum wages in this country.

When this working paper was brought forward, if my memory serves me correctly, I think in every province in Canada one could get more on social assistance than one could in fact by working for a living at minimum wages, or near minimum wages. In addition to that, the recovery rates were 100 per cent in most cases, which meant that if a person was drawing welfare payments on the provincial level and went out and got a part-time job to supplement that income, the government on the provincial level would recover 100 per cent of the money that that person earned. That certainly did not provide an incentive for people to get out and try to help themselves. It left them locked into the welfare cycle. That kind of problem has got to be resolved and it is dealt with quite substantively in the working paper on social security.

In addition to that, proposition 7 refers to the need for a guaranteed income for those who are unable to work, or should not be expected to work.

The hon. member for Hillsborough (Mr. Macquarrie) talked about this as if it were some kind of a new idea. The fact of the matter is that it is proposed in our working paper on social security. It is a proposal that will, in due course, be implemented when the bugs are ironed out and arrangements are worked out in co-operation with the provinces themselves. This is not an exclusively federal jurisdiction, and therefore cannot be solved totally by the federal government.

Now, in addition to this, Mr. Speaker, I did refer to old age security and the guaranteed supplement earlier. That was referred to in proposition 8 of the over-all review. That proposition has largely been implemented, as well, through escalation and through incremental increases. I think that has been very important in offsetting the affects of inflation on those who were formerly on fixed incomes.

It is important to point out that, with the change in a large majority of federal programs to assist people in this country by escalating them to suit the real increase in the cost of living, such people are no longer on fixed incomes. Their incomes are increased automatically as the cost of living increases as well.

Proposition 9 refers to the need for a review of the Canada Assistance Plan, and for some adjustments in that regard. I can point out that the minister, only a few days ago, indicated that we would be broadening—and in fact have broadened—the terms under the Canada Assistance Plan to deal with day care centres, to allow those on lower incomes to be subsidized in terms of finding some institution to look after their children while they are out working. That is one of the over-all questions that is dealt with in the social policy review.

In addition to this, proposition 10 talks about the need for additional social services that are required in Canada. Here we are really referring to such things as training programs, counselling, rehabilitation, homemaker service and so on, to make sure that those who presently are unable to find employment are brought back into the mainstream of employables in this country by meaningful programs, so that they will be better able to find employment which would be beneficial to themselves and to Canada in terms of social security costs.

Proposition 11 talks about the need for institutional services such as day care centres, which I alluded to earlier, nursing homes and so on. That kind of question is very important to the over-all review of social security.

Proposition 12 refers to the need for a flexible approach between one province and another, which shows that the federal government recognizes that this is a pretty broad country, stretching from the Atlantic to the Pacific. What is advisable in one province, in this country, need not necessarily be advisable in another. Therefore, proposition 12 recognizes the need to allow the provinces a degree of flexibility in establishing income levels, whether it be in terms of supplementary income for the working poor, or any other social programs that may be brought forward.

Proposition 13, however, puts a caveat on that, in that it is necessary for the federal government to guarantee that the parliament of Canada is really served in the way in which it wants to be served and, therefore, it is our obligation to bring forward certain universal minimums, beyond which they will not go, in terms of the flexibility provisions.

Proposition 14 is a realistic recognition that such an over-all review, which has never before been undertaken in Canada, cannot be done in one moment or even in one year. In fact, proposition 14 proposes that this over-all review should be ironed out with the provinces, with a target date of between two or three years. I think, Mr. Speaker, that this is a realistic recognition of the magnitude of the task that we have embarked upon in the social policy review.

Mr. Peters: That program is so out of date that even Ontario would not accept it.

Mr. Cafik: It is odd the hon. member says that it is out of date, when in fact the previous speaker, from his own party, was recommending that we implement a number of the proposals that I have just spoken about in relation to our social policy review. So I would suggest to the hon. member that he should look at the proposals very, very carefully and realize that it involves a decision that ultimately has to be taken by both levels of government.

● (1640)

The federal government, through the Minister of National Health and Welfare, is certainly committed to the principle that I think all of us would share, that we must provide levels of social assistance in Canada which will meet the basic criteria of all Canadians; that people who want to save and provide for themselves will be enabled

and encouraged to do so and those who are unable to do so for one reason or another that is justified, will be adequately taken care of in a proper and effective way.

I should like to turn to one other area for a moment and that is to consider the kinds of things we have done as a consequence of the review in the last year. I do not believe that there has ever been a period in the parliament of this country in which any government has done so much in social security policy as has been done in the last year by the present Minister of National Health and Welfare.

One just has to look at that record to see how very impressive it is. I have talked about old age security, guaranteed income and the escalation of these. That is a very substantial program which has helped a great number of senior citizens. We can look also at family allowances which have been substantially increased and have had an enormous impact on young families bringing up children in this country. These allowances are also escalated on an annual basis to meet the cost of living. The Canada Pension Plan has also been escalated to meet the cost of living. The levels have been changed and further legislation is coming forward with respect to that in the near future.

I see the Minister of Veterans Affairs (Mr. MacDonald) in the House. He has done a great job in changing the rates of veterans allowances and escalating payments to veterans in this country who served us so well in two world wars.

Pensions for civil servants and others have been escalated according to the real cost of living and the rates have been changed. That is a substantial step forward and an example to other levels of government that perhaps need an incentive.

The hon. member for Vancouver Kingsway (Mrs. MacInnis) spoke about income tax, and I agree with her that this is a very important question but look what has happened in the last year and a half. Income tax deductions for children have been escalated according to the cost of living and this year the exemptions have been increased to reflect that differential. That is an important step forward. In the budget brought forward in February of last year, everybody in this country enjoyed a substantial decrease in the amount of income tax payable through a reduction in rates. Those in the lower income level benefitted very substantially in comparison to those on higher incomes and that is important as a social principle.

I would simply say in conclusion, Mr. Speaker, that hon. members should look carefully at the action we have taken as a government in relation to inflation in this country. Considering the measures brought in to offset the effects of inflation which is largely international and partly domestic, it must be concluded that we have done a great deal—indeed, more than any other country in the world. The policies we have brought forward must surely demand the respect and support of all hon. members today as they did when they were brought forward in this House and supported by them.

It may be said that there is more to be done and that is what the minister has been saying since he took office and what his predecessors said. There is always a lot to be done but this government is committed to doing more than talking about it; it is committed to implementing policies and programs which will better serve the people of this country.

[Mr. Cafik.]

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, it can be said that successive Liberal cabinet ministers are not more of the same. As to the last one, because he may have gone a little too far, he was sent to the Department of Labour.

This contradictory attitude at this time bears witness to tne inconsistencies of this Liberal federal administration.

In fact, the then Minister of National Health and Welfare who is now Minister of Labour (Mr. Munro) made the following statement in his 1970 White Paper, and I quote:

This section provides the main thrust of the government's proposed policy for the coming years, which include:

First, the development of the guaranteed income technique—

He was all for it. How lucky Canadians were in those days!

—as a major anti-poverty policy.

● (1650)

Considering that the Minister of National Health and Welfare (Mr. Lalonde) has stated his opposition to a guaranteed minimum annual income, this constitutes a glaring contradiction of his predecessor's policy. Indeed, in the Ottawa newspaper *Le Droit* of November 21, 1973, one can read and I quote:

LALONDE AGAINST A GUARANTEED INCOME

The federal Minister of Health and Welfare, Mr. Marc Lalonde, is against the principle of a guaranteed income. In his opinion, a guaranteed income program will enable Canadians to choose between work and leisure and such a situation will not fit in with the system of values of the great majority of Canadians. Mr. Lalonde, who was talking Tuesday in Montreal to the Association canadienne d'études fiscales, has pointed out on the other hand that one of the great challenges to those responsible for the Canadian social security was the task of finding new employment opportunities for the unemployed.

This is not new. We have been hearing that song for 50 years.

It is also important, he added, to find a way to increase the incomes of those whose salary is below a decent minimum level.

Finally, we must, according to him, find the means to set up new programs without causing social, financial or economical disruption.

There is nothing to fear on that account. I think a lot of water will flow under the bridge before the Minister of National Health and Welfare causes social disruption.

In Drummondville, there are many welfare recipients and unemployed. It is true that there were always two ministers in that constituency, and you will notice that the ones we have now are not most reliable. Therefore, in my Drummondville office, I have the opportunity to meet welfare recipients and unemployed every weekend. I wish to point out here another inconsistency. This is not a criticism, but the minister represents one of the wealthiest constituencies in Canada, that of Outremont. I do not think he often sees welfare recipients. I believe there is something wrong here, I cannot see how a man who is unaware of this problem and who represents one of the wealthiest constituencies in Canada can look after underprivileged people. At all events, he must be much less sensitized to the problem. He may claim perhaps that he

has already taken action as regards the Manitoba experiment.

On February 22 last, the Minister of National Health and Welfare announced that the federal government would finance 75 per cent of a guaranteed income program that will be tried in Manitoba. The project is called Mincome Manitoba. It was two years in preparation. Twenty five thousand samplings—one can imagine the number of public servants working on that—were taken in various municipalities before the program could be implemented. The experiment, that will last three years, will involve 2,500 families only. The Social Credit Party of Canada particularly regrets that those figures show that the government has no intention of setting up a guaranteed annual income scheme until the results of this experiment in Manitoba have been compiled and analyzed. This will take at least three to four years. If such is the case, the government will only use its financial involvement in Mincome Manitoba as a pretext to shirk its immediate responsibilities.

There is no need for studies or surveys to know that poverty and financial insecurity are major problems of Canada. In addition, this program which will involve only 2,500 families in a single province cannot surely alleviate the poverty problem which will require much more important measures. The government is simply throwing a smoke screen in order to conceal to the Canadian people its inability to cope with the problems of poverty. Mincome Manitoba will surely provide a wealth of information for planners and sociologists, but the program will provide no solution whatsoever to the problems of people who are really in need. There are many serious weaknesses in the program that was tried out in Manitoba, but the most important one is that this experiment is so limited as regards the number of people affected as compared to the number of people who really are in great need, that this experience as a whole is laughable.

Of course, Social Crediters are not the only ones to call for a guaranteed income. There is even a Liberal—imagine that—Senator David Croll who says, and I quote:

We have promoted unemployment . . .

The senator's comments are quite serious.

We have promoted unemployment and made it attractive.

Considering that during the past few years our country was governed mainly by the Liberal party, one may conclude that unemployment was promoted by them. I see that it is a Liberal who says so, in *Le Jour* of March 14, 1974, and I quote:

The former Chairman of the Senate Committee on Poverty, Senator David Croll, an Ontarian with Liberal views, . . . strongly denounced the minimum wage rates that are awfully low in several parts of this country.

We have promoted unemployment and made it attractive, Senator Croll asserted, throwing away the old story according to which an increase in minimum wage rates will signal the end of some industries. Very seldom have periodic increases in minimum wages reduced the number of jobs, he stated.

Mr. Croll called on the government to develop a guaranteed annual income program for every Canadian, a goal which is now within political and social range.

Such a program could pull the disadvantaged out of poverty and avoid prejudices suffered by families and the labour force as a result of the present welfare program.

According to Mr. Croll, minimum wage rates are inadequate and measly in many parts of this country.

Then, Mr. Speaker, Liberal members will have to come to an agreement one of these days, because we are going to think that we are right.

The report of the Senate Special Committee on Poverty says, among others things, on page 106, and I quote:

The poor are often handicapped with respect to purchasing power by lack of education, experience, information, training and opportunity as well as by lack of ready cash.

The Social Crediters are not the only ones to say so.

"Best-buy" decisions depend not only on information about quality and performance, but also on a comparison of prices in different kinds of stores in different locations. To get this information takes time, effort, and money. Because of transportation expenses or credit difficulties, the poor cannot shop around. As a result, they shop in small neighbourhood stores where prices are higher, and selection is limited—but where delivery service and credit are available.

● (1700)

Among the poor, one typical example is that of senior citizens who cannot afford motor transportation. walk very far or carry heavy things. They really have no choice. Here is how a representative of the Conseil des œuvres catholiques described their terrible situation:

When I speak of very poor people, I mean those living in an apartment building where, for instance, they share their soup with an immediate neighbour. They are the ones who try to meet their needs with a very limited income, who are not entitled to social welfare but only have a very low income or pension. They live on toasts and tea and find it most difficult to provide for their own needs.

Mr. Speaker, in addition to poverty, Canada also has an ever increasing public debt. In 1955, it amounted to $17,951 millions and in 1973 to $51,717 millions, having trebled in less than 20 years.

Provinces and municipalities are also overburdened with debts. For 1973, their debts amounted to $8 billion approximately with yearly interests of $452 million. Provincial debts amounted to $17 billion, with yearly interests of approximately $566,185,000. The Federal debt, to give the example, as usual, amounted to $51,717,700,000 and interests to be paid within the next fiscal year will be approximately $3 billion.

The increasing public debt shows beyond all doubt that our governments at all levels: municipal, provincial and federal, are unable to meet their obligations and must go into debt.

A guaranteed income paid out of taxes would not in any way help to improve the national and individual financial position. The guaranteed annual income must be paid out through new credits in order to increase the buying power. That is the only possible solution to the permanent shortage of buying power. What about the consumer debt. We know that for lack of purchasing power, Canadians have to go steadily into debt, and they are given all the facilities. There are credit cards in all consumer sectors and they are widely advertised. Loans are granted by banks, lending institutions and finance companies, and as a result of the extensive advertising of all products in the stores, people run into debt, because they lack the necessary purchasing power to meet their commitments. But the purchasing power should in fact be compared to the power of production. Thus, in the past ten or 12 years, we have witnessed a tremendous development. In 1962, Canadians were indebted to the tune of $4,200 million.

In 1967, this amount had increased to $6.7 billion. In 1971, the debts of Canadians amounted to $11.7 billion, and as of December 31, 1973, the consumer debt had reached $17,694 million.

The enormous accumulation of the private debt shows without any doubt the chronic lack of purchasing power of the consumer who must run into debt in order to buy the food products he needs.

The Social Creditors are not the only ones to stress this fact. During a conference in 1966, a world famous economist, Professor John Kenneth Galbraith, warned that the present industrial system, and I quote:

> ... cannot ensure that the purchasing power in the economy will be equal or even approximately equal to the products that can be manufactured through present industrial methods.

A universal guaranteed annual income paid with new credits would contribute to increase the purchasing power of the people and bring it to the level of production. Instead of mortgaging their future incomes, people would be able to purchase with today's money the products that they need today, thus checking the staggering rise in the consumer debt, which has quadrupled in less than 10 years.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Social Security—Possibility of production of cost of living index related to goods and services purchased by pensioners; the hon. member for Simcoe North (Mr. Rynard)—Health—Request for assurance medical research funds will not be reduced.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58 IS SUGGESTED ESTABLISHMENT OF A MINIMUM ANNUAL GUARANTEED INCOME PROGRAM

The House resumed debate on the motion of Mr. Matte (Champlain).

Mr. Roch La Salle (Joliette): Mr. Speaker, I am pleased to take this opportunity to discuss the motion proposed by the Social Credit Party of Canada, which reads as follows:

> That this House regrets that the government has taken no concrete steps to ensure the establishment of a guaranteed minimum annual income to overcome poverty in Canada and enable each Canadian citizen to cope with problems of rising prices and to fight inflation efficiently.

Mr. Speaker, I think that the problems facing us every day not only in the province of Quebec but throughout the country can never be overemphasized. We know it full well, right after a fantastic congress where we had the opportunity to listen to the representatives of about 2,000 delegates who came to explain those general problems—

Mr. Lefebvre: Were you there last year?

Mr. La Salle: No, Mr. Speaker, I was not there last year but I was very interested to know the views of citizens from all parts of the country.

My friends opposite understand very well what I mean. The views expressed today have convinced us that the problems set forth by the Social Credit Party of Canada affect the whole country.

For those reasons, it is obvious that the motion before us is surely worth discussing, and I hope that after hearing our repeated remarks in this House, the government will understand that those problems are serious. I think it has already been realized that they are serious and that the words will be followed by concrete action.

● (1710)

A few minutes ago, the program of welfare allowances was said to be acceptable to the government.

Mr. Speaker, I think the government has presented many measures. In view of the increase in the cost of living and the difficulties we face, we must admit that the government, even if it has made efforts and come up with some improvements, has provided for increases in some programs. Even if the increase in the cost of living has been much more rapid than the rise in benefits, I am very happy to say that, however inadequate, improvements have been made. Repeating that the government has taken no action is not fair, but it is not fair either to say it has taken concrete action.

The motion now before us allows us to remind the government that its measures are insufficient.

The unemployment insurance program was mentioned earlier. The provision of an annual guaranteed income could alleviate the difficulties we are now having with the Unemployment Insurance Commission and the frequent embarrassment of the recipients. If the guaranteed minimum income program were adopted, there could be tremendous advantages and changes for the Unemployment Insurance Commission.

Mr. Speaker, I would also like to take this opportunity to deal with a subject dear to me, the eligibility for old age security at 60 years of age. I think it can be discussed in the debate on the motion now before us, since it concerns a form of annual income for 65 year old people.

Yesterday, I learned that an NDP member had spoken of the importance of that measure.

With regard to the guaranteed annual income, the hon. member for Winnipeg North Centre (Mr. Knowles), in reply to the responsible minister, said that all categories of citizens should be helped. I agree with the minister that

all groups of citizens should be helped, but if we can give even more help to those of 60, to my mind we could also help the young people indirectly. If legislation to that effect were introduced, that is to grant the old age security pension at 60, it should first of all be voluntary.

We know full well that in the case of thousands of individuals, work becomes a hardship at 60. That measure could be passed at the same time as voluntary old age security pensions at 60. This would help thousands of people and would simultaneously open extraordinary job opportunities for the young.

At the present time, our social legislation often encourages some citizens to take advantage of them instead of trying harder to get jobs. The rate of unemployment has remained quite steady in the last five or six years, but we also know that it is difficult for the young to find a full-time job.

We would then have found a formula to allow people of 60 and over to rest, to take well deserved holidays, if they so chose, because it seems that a good number of them still wish to work.

And I feel it is our responsibility to leave them this freedom. On the other hand, we are also aware that thousands of people would benefit from such an old age security scheme. In this repect, we could consider the possibility of paying more in Old Age Security Pension than we are doing at present.

I know that the Minister of National Health and Welfare (Mr. Lalonde) stated yesterday, in reply to the CLC, that granting the Old Age Security pension at age 60 could cost as much as $400,000,000.

Mr. Lalonde: It would cost as much as $1.2 billion.

Mr. La Salle: $1.2 billion. This policy would cost over one billion, according to the figures quoted by the minister.

Now, I should like him to tell us just how much we are paying for everything connected with social welfare, for our 500,000 unemployed, how much Canadians are paying for all that, for they are the ones who must foot the bill.

If we decide to reduce appreciably the unemployment rate, it is clear that this money could easily be earmarked for old age security. I feel that any worker would be quite willing to have his taxes earmarked for old age security enabling him to take advantage of that policy rather than to have a large percentage of his taxes used solely to pay unemployment insurance or social welfare.

I think that it would be advisable to ask for an assessment of the costs of our social services, because we could, by paying the old age pension at 60, considerably reduce the unemployment rate.

Such a policy would surely contribute to the improvement of the social climate. We know perfectly well that 60-year old people would be quite happy if they were sure of getting an adequate income in their old age. There would surely not be revolutionists and we must understand that the young people who do not have adequate opportunities on the labour market are liable to criticize and to rebel against the State which does not seem to assume its responsibilities.

I think it would be to our advantage to study this legislation as soon as possible.

Mr. Speaker, we are speaking about a guaranteed annual income. As stated earlier by the member for Champlain (Mr. Matte), the State must supply a guaranteed income to its citizens. If the State has obligations towards individuals I think that from the day they are born individuals also have obligations. It is no exaggeration to say that we are at least obliged to work and do something for the country. it is our responsibility to build our country and to work to the benefit of all Canadians.

It is important that the government should have repeated meetings with associations, organizations, unions, businessmen to impress upon them that if they keep on making windfall benefits they will jeopardize their future and that of the whole society. It would be useful for the government to impress upon the investors or upon big business in general that they really ought to do much more than now for people living below the poverty live. And no matter how often we are reminded that ours is a rich country with enormous natural resources, it is quite dangerous to reach an untenable situation to the extent that individuals do not get an adequate minimum income.

And if we consider, for example, the concern of mothers and fathers or of society in general about the increase in the cost of living we find that as regards food, clothing, and essential services those increases have been extremely high. Then, how about introducing legislation? In the Speech from the Throne they led us to believe that they were going to deal with some of the increases. The Minister of Agriculture (Mr. Whelan) made this statement recently about the increase in food prices, and I quote: "I think we have every reason to have some hopes, to be optimistic".

● (1720)

I think this is not enough, Mr. Speaker, and for that very reason I urge the government to introduce positive measures which will meet very specifically the present needs and which could remove the uneasiness now being felt.

Mr. Speaker, all the hon. members are aware of the deep concern of the Canadian people. How often, in our constituencies, have we not been told this, for instance: "What is going to happen, with this increase in the cost of living, with inflation and all the big problems we are now facing? Anyone who has seen his heating oil costs doubled, anyone who has to buy gas these days, cannot help having the government in mind once in a while.

Mr. Speaker, I think that we cannot go on like this, being told on paper that we will introduce amendments or legislation which will solve these problems. The government must therefore act quickly. Some of the government proposals should not be rejected. On this side of the House, a price freeze was advocated and the government finds justification in saying that this was tried in the United States or somewhere else and that it did not bring the expected results. However, the government is providing evidence that they do not have the answers to the present problems and, therefore, if the price freeze is not an effective measure then just let them give us the solution which will be. But one thing is sure, that is for the past four or five years if opposition parties could not

convince the government of the timeliness of their suggestions, the government nevertheless showed that it did not have the solution. How long will Canadians have to wait, and how long will they have to endure the malaises they now know? We have the responsibility to multiply our representations, our interventions in this House, to ask the government to act in a concrete way.

So favouring one category of people—those at age 60—would also bring about improvements in job opportunities for young people. And I think our social climate would have been corrected and improved.

There is talk about a guaranteed annual income. It is extremely important that each individual have a minimum to live on and even then I would want to make sure when we talk about implementing a guaranteed annual minimum income, for example, that we do not encourage people at the outset to be satisfied with a guaranteed income and reduce their efforts with respect to the work they nevertheless have an obligation to do for their country and fellow citizens. Of course, incentive formulas will have to be introduced to ensure that minimum annual income. There are also incentive programs for jobs and work openings, and it is up to the government in co-operation with organizations I referred to earlier, with businessmen, to create jobs for the young and adults. We have that responsibility. The first responsibility is to try as soon as possible to give a well deserved holiday to a certain category of people, which would indeed make room for younger people. Then we will have done something concrete to meet, I am convinced, the wishes of the people of this country. With regard to the motion under consideration, I am not ashamed to admit that it is with pleasure that I congratulate the Social Credit Party of Canada for having brought in a proposal to enable many hon. members to discuss this question and for reminding the government of its responsibilities. To what extent is the government going to reply positively and quickly to comments made in the House? I do not know. I do hope that it will feel compelled to do so. Once again, I hope that there will be other contributions and that similar motions will be brought in as often as the government will keep on turning a deaf ear to the needs, to the problems facing us every day.

Mr. Speaker, these few comments were made in the hope of bringing Canadians improved conditions and a satisfactory stability, and of receiving an affirmative reply from the government. We hope our interventions will not be forgotten, will not have fallen on deaf ears and that Canadians will be able to benefit from the contributions and the suggestions made. They have been waiting for a long time.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, when one examines attentively the motion presented by the hon. member for Champlain (Mr. Matte), one realizes from the start that it is a non-confidence motion against the government. One realizes also that this motion blames the government for two separate reasons. First, it blames the government for having taken, according to the Social Credit, no concrete steps to ensure the establishment of a guaranteed minimum income plan, to overcome poverty in Canada. This motion also accuses the government of having done nothing to fight inflation efficiently. It is on this second point of the motion that I should like to dwell, as my colleague the hon. member for Ontario (Mr. Cafik), Parliamentary Secretary to the Minister of National Health and Welfare, stated a while ago, in a brilliant way, I think, the reasons why the Canadian government so far did not think it wise to establish a guaranteed minimum income plan.

As for me, I do not agree at all that the government did not do anything to fight inflation efficiently, as it is said in the motion proposed by the hon. member for Champlain, which would have us believe, if we read it attentively, that a guaranteed minimum income could be used to fight inflation. And I do not agree at all on that.

I am not sure at all that a guaranteed income program could be used to fight inflation. On the contrary, I believe that putting more money in circulation and increasing the money supply available to the Canadian people would only increase the demand for products and, should that demand come at a time when there is no mechanism to provide for an equivalent supply, inflation would be still more serious. Making millions of dollars available to the Canadian people through the establishment of a guaranteed income plan could eventually worsen inflation. And it is on that point that I disagree entirely with the hon. member for Champlain, who maintains, according to his motion, that a guaranteed minimum income could fight inflation.

Moreover, I believe it would be a false principle to give money to all Canadians through a guaranteed minimum income, while inflation does not affect everybody. And I should like to insist on that point a few minutes and repeat what was already said in this House, namely that the average Canadian benefits from the simultaneous increase in prices and incomes.

I wish to quote here the hon. Minister of Finance (Mr. Turner) who, speaking in the House on March 5, said that last year the real per capita personal income of Canadians, which is the income left to each person to spend or save after paying taxes and allowing for the inflation rate, has increased by 6.8 per cent. This means that income has increased more rapidly than the cost of living. This recent rise follows the already exceptional increases of 5.9 per cent and 6.7 per cent recorded in 1971 and 1972 respectively.

The minister went on to say that last year's strong increase in personal income was the result of various factors, notably an unprecedented increase in the number of Canadians productively employed, a substantial growth in farm income, the reduction in personal income tax provided for in the budget and equal to 12 or 13 per cent, the raising of social benefits, especially of old age security pensions, of family allowances and of other social security benefits.

● (1730)

The minister continued to say that this 6.8 per cent increase in the real disposable personal income per capita last year in Canada was one and a half higher than that of the United States. Since 1970, the average real disposable income of Canadians has gone up by 21 per cent, that is almost twice more than that of the American people.

This means that inflation does not affect everybody. Inflation does affect a few citizens, particularly those on fixed incomes. So I cannot agree with the motion of the hon. member for Champlain who claims that a guaranteed minimum income might help fight inflation. On the contrary, I feel that if the government acted in this way, it would put money in the hands of those citizens who do not need it and who already benefit from simultaneous increases in prices and incomes.

Finally, I would like to answer more directly the charge in this motion, which states that the government did not do anything to fight inflation efficiently. On the contrary, in the past, that is in 1973, the government took many steps to deal with inflation. And even more important, Mr. Speaker, the government intends to take more steps this year. The Speech from the Throne that was delivered at the opening of this session showed that the government was going to make all efforts possible this year to fight inflation.

What are the government's plans for 1974 as regards inflation? First let us recall—and it is a wellknown fact—that the government is concerned by the inflation problem, and that it does not think necessary to resort to an overall control system. The government recognizes that our economy is resting for a large part on our trading relationship with other countries. That is why inflation that developed in the whole world as a result of certain phenomena is affecting us as well.

However, the government fully recognizes that there are in Canada different means to deal with inflation, and these means are much more effective than the guaranteed minimum income referred to in the motion.

The government programs designed to fight inflation are actually divided into three separate parts. First, in the speech from the throne, we mentioned projects aimed at protecting the individuals, mainly those on fixed or low income. We are also proposing measures intended to prevent price increases in specific areas. We also intend, and this is very important, to deal with shortage-creating problems by encouraging supply, that is to say by stimulating production. The government prefers such a system which, besides, has been used over the last few months, namely selective measures applied in different ways and at different times as the occasion warrants to selected goods and services.

This makes for a flexible and appropriate system in a society seeking to control change in the most effective manner. Lately, the government has applied such selective measures to which I will come later. However, we will not hesitate to resort to additional deflationary measures if required. And as previously stated in this House by the Prime Minister (Mr. Trudeau), we will not hesitate to go after the "big guys" in the market place to protect the Canadian consumer.

One of the cornerstones of the counter-inflationary program we will launch in 1974 as a follow-up to those we have initiated last year is production stimulation, particularly of foodstuffs. Since food is one of the major factors in the price index in Canada and that the food shortage in the rest of the world as in Canada is one of the major inflation factors, the government set forth recently in the speech from the throne a food policy which will urge Canadian producers to produce more so as to check rising prices. Of course, this is a medium and a long-term method, but the government also took some immediate measures.

I should like to deal in particular with some measures that the government implemented last year and which are still being applied, in order to show clearly that the blame put on the government by this motion is quite unfounded.

Last year, the government first set up a committee which was instructed to investigate food prices and which the House approved on January 23, 1973. Later on, the government created a Food Prices Review Board, which actually replaced a House committee.

I should like to emphasize the much more specific and selective measures which are included in our counter-inflationary program and which the government implemented last year in order to check the rise in prices of certain goods, particularly food products.

In the meat business, in August 1973 the government imposed export restrictions on beef and hog. That resulted in a widespread ban on Canadian meat sales on the U.S. market where prices were higher because of reduced production brought about by controlled prices and salaries. That initiative stopped meat prices in Canada from going up for a while.

With milk which is another basic commodity, the government announced last September that it would be subsidizing powdered milk at a rate of 20 cents a pound which resulted in a price drop of 14.3 per cent. It also announced a 5 cent subsidy on liquid milk which prevented or at least slowed down subsequent price increases. Of course, that plan is still in force.

With bread also in September the government set up a two-price system for flour which resulted in Canadian bakers receiving a subsidy which slowed down a price increase.

Unfortunately, Mr. Speaker, Canadians have difficulty recognizing the result of steps to prevent prices from rising. Prices are high and people are not satisfied. If we pass a measure which would reduce the price of a commodity, people could understand right away and feel that we curbed inflation.

But people are having difficulty realizing the effectiveness of steps such as those I just mentioned and which prevented milk prices from increasing because if the price of bread does not go up for six months, people find that normal. However, people often forget that it is because of steps taken by this government that the price of commodities such as bread, milk and meat, increased in a more moderate way or did not go up at all recently.

Let us now turn to what the government did to check the increase in the cost of oil products.

At the end of last year, the government asked oil producers in Canada to freeze their prices voluntarily as of September. So, in the part of the country that lies west of the Ottawa Valley, the price remained about $4 a barrel while the price of crude oil on the world market reached more than $10 a barrel.

The government is now negotiating with the provinces to set for all of Canada a standard price that would be

lower than the present world price. Besides, the government took other budgetary and economic measures, such as amendments to the Income Tax Act. The government took many other steps against inflation and I was surprised to hear the hon. member for Champlain contend that we had not done anything to fight inflation.

May I remind that among other measures, the government indexed personal income tax on the cost of living. As will be recalled, the government enacted legislation under which the income tax deductions of individuals will increase according to the rise in the cost of living index. Such a measure will result in annual tax reduction to the extent of price increases. The net result is, for this year alone, that 175,000 Canadian taxpayers will have no income tax to pay while all the others will pay less.

Still on the subject of income tax, the government announced that it will reduce the basic rate of taxation between 10 and 21 per cent, according to the taxpayer's income. For instance, a single taxpayer whose income bracket is between $5,000 and $8,000, will have a tax reduction of between 10 to 20 per cent. Therefore, every Canadian taxpayer will save at least $100 for the 1973 fiscal year. A couple whose annual income bracket is between $7,000 and $10,000 will see its income tax reduced between 11 and 21 per cent.

These measures have even been suggested to us by some members from other parties. That is why it is surprising to see that when the government adopts measures such as those I just mentioned, we are charged with doing nothing to stop the price increases.

But we have done even more, we have eliminated the sales tax on certain consumer products to counter the effects of inflation. Amongts those products are soft drinks, sweets, fruit juices, which are totally free from federal sales tax. Children's clothes are no more subjected to any tax, there will not be any excise tax on tooth paste, shaving lather and other cosmetics. Custom tarrifs have been reduced for numerous kinds of imported fruit, a measure that should bring a reduction of consumer prices for these food stuffs which are not normally produced in Canada.

To fight inflation, we have taken many other measures that are certainly more efficient than the establishment of a guaranteed minimum income. For example, the Canada Pension Plan has been changed in order to increase the maximum annual pensionable earnings and the benefits to meet the rise in the cost of living.

As you know, there has been a substantial increase in family allowances, in order to compensate the beneficiaries for the rise in the cost of living.

Changes have also been brought, for the same reason, to the veterans allowances, to the old age security pension plan and to the guaranteed income supplement.

Therefore, Mr. Speaker, I think I have definitely proven, as I mentioned in the beginning of my speech, that this year's government programs are particularly aimed at fighting inflation. I believe I have proved as well that the government will live up to the promises it made in the Speech from the Throne.

The best way of knowing what the government will do with regard to this problem is to consider what it did in the past. The measures I have just mentioned and which were implemented by the government in 1973 to fight inflation are the best guarantee Canadian citizens could possibly have of the efficiency with which we will tackle this inflation in the year to come.

Mr. Speaker, I completely reject the claims of the hon. member for Champlain (Mr. Matte) when he says we do not fight inflation. On the contrary, I say that of all the governments of industrialized countries, the Canadian government is the one that has set up the most complete the most diversified, arsenal, that has taken the wisest decisions in the fight against increasing prices, problem which concerns the government and which is doubtless one of the most severe Canadians have to face at this time. I would like to add that the measures promised by the government in the Speech from the Throne will be implemented, that others will be brought forward, and that Canadians can rest assured that even if prices rise, which is happening in every country in the world, the Canadian government intends to solve this problem which is considered to be the most important one facing our country.

● (1740)

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was interested in the two ideas which were put together in the motion of the hon. member for Champlain (Mr. Matte), and particularly in his explanation of the first portion which is related to the guaranteed minimum annual income. For many years I have listened to members of the Social Credit Party discussing their idea of a dividend. I have heard their leader explaining this matter many times on television, but I have never heard anybody come as close to Karl Marx's theory as did the hon. member for Champlain this afternoon when he said "each to his need according to his ability".

Then the hon. member added something that I found very interesting, something that in fact the Liberal government has been doing for a long time. He went on to say that we would mortgage the future if we issued money; and never mind what happens, all of this would eventually be related to our ability to increase the gross national product. Is that not exactly what the Liberal government has been doing for years? Whenever they need more money, they print it and put it down to the national debt. In fact, when we had too much money kicking around it was taken out of our debt. So the bookkeeping has been carried out pretty well in the way in which the hon. member for Champlain outlined it. However, I am not sure I am sufficiently socialistic to accept the full Karl Marx theory "to each his need according to his ability". I have always felt that was a little too generous and too cosmopolitan.

Mr. Caouette (Charlevoix): You should read the speech.

Mr. Peters: I agree with the hon. member who said I should read the speech, because it may not read that way; but that was the impression I had as I listened to it. I listened to it very carefully because I have been interested in this idea of a guaranteed minimum income. I think we have reached the stage in this country at which we have almost as many civil servants as we have workers. Prob-

ably we have as many people living off the backs of the workers as there are workers themselves. This is an odd situation.

It is interesting to note that we now pay a single, old age pensioner a GIS of almost $2,000 a year. When he reaches the age of 65 he is eligible for that sum of money. If he is married, in many circumstances he can almost double that amount provided his wife is the same age as him. If he is married to a younger woman, they must survive on his GIS because the Liberal government believes in the theory that two can live as cheaply as one. This sounds like an advertisement of a matrimonial bureau. However, I have found that it is not possible for two to live as cheaply as one. It is a myth that Hollywood propagated many years ago and that most people have debunked. There is obviously a necessity to take into consideration the problem of younger wives and their total dependence on their husbands for a living, particularly when they have to survive on the $2,000 that they are getting.

Over the years I have been involved in both municipal and provincial politics, not by design but by necessity. People bring to me their problems, as they do to all members of parliament, and one has to learn something about the proliferating programs, particularly at the provincial level. This afternoon we listened to the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Cafik) in rare form outlining the orange document that was put out recently respecting the government's program. He said that this is the kind of program Ontario would accept. If this is so, then any member of the Liberal Party who considers himself to be a Liberal should look at himself in the mirror. The programs outlined in the orange booklet to which the parliamentary secretary referred today are typically Conservative and we find that the Conservatives are not only sitting on one side of the House. A true Conservative, according to a definition I heard many years ago, is a man who fights all his life to protect those things that his father fought all his life to prevent. How many Liberal members who are still in this House have stood up and said, "We cannot have a medicare plan; it is impossible" and "We cannot have a universal old age pension plan; it would cost too much"? I well remember the time when it was raised from $50 to $56 and then to $60.

Mr. Knowles (Winnipeg North Centre): It was $55, $65, $75.

Mr. Peters: My colleague knows all the grim details. There have been many machinations. Whenever we proposed an increase, Liberal members would say, "we must keep it at the present level because the country cannot afford any more". Then we find them doing what the Créditiste member suggested this afternoon, or we find that an election comes up and suddenly we can afford the increase.

I suggest that we must consider a guaranteed minimum annual income. I was not surprised when Ontario turned down a program to see what would be the effects of a guaranteed annual income in one of the communities in the province. I am sure that most civil servants in Ontario would be violently opposed to such a program being implemented and that it would scare the pants off many of them to even consider it. We have people looking after children's aid, the mother's and father's allowance, the dependant father's allowance, disability pensions, windows' pensions, guaranteed income supplements, compensation and family allowances. Sometimes there are five or six different people coming into one household telling the family how to make ends meet.

There is a great proliferation of such programs and if we were smart we would put them all into a guaranteed minimum annual income. I understand from the hon. member for Vancouver Kingsway (Mrs. MacInnis) that under such a program a single person in British Columbia receives almost $2,600. We have people in Ontario who are working at the minimum wage and trying to keep a family on $4,000 a year. They do not have their hospital expenses paid. They do not have all the other advantages which accrue to elderly persons in British Columbia or Ontario. Out of that $4,000 they must pay income tax, they must pay their medical plan contributions, their Canada Pension Plan contributions and all the other payments that are deducted from one's income. They end up probably earning less than the $3,000 a year which has been suggested is the poverty line.

● (1750)

I have here a letter that I would like to read. It underlines some of the problems involved. It is from a man who offered to help a person who was in financial trouble. He started to look after this person's books. He discovered that the person's wife had died and a number of bills had to be paid. The individual involved has a daughter who is now 18 years of age. He was trying to figure out this man's income tax. The man earned $6,707.55 and had already paid $659.83 in income tax. The income tax people wanted an additional $359.67. That was the problem. He decided to put this man and his daughter on a budget. The budget for two people per week includes $25 for food, $10 utilities, $2 clothing, $4 miscellaneous, $3 savings account and $25 rent. In addition, there are three loans outstanding—to Household Finance, Beneficial Finance and the Imperial Bank of Commerce, and $25 a week is being paid on those three loans. This man has a car on which he pays $8 a week. His car needs substantial repairs—it is a 1964 Chev—but it is doubtful if it can be repaired. The budget allows this man $3 a week spending money. That totals $105 a week, and there is no money available to pay the $300 owed in income tax.

There is nothing extravagant in this budget. As a matter of fact, I do not know how you can feed two people on $25 a week and I do not know where you can get accommodation for $25 a week. But this man who was working every day, making $6,700 a year and paying over $1,000 in income tax, cannot make a deduction for his daughter because she made $175 over the amount she is allowed to make while working after school in an IGA store. It is not only those on disability pension and other types of pension whom we must consider. We have a large number of working poor in this country. This leads me to the second part of the motion.

Despite what the previous speaker said, we have not done anything about the high cost of living. Yesterday I heard the Minister of Finance (Mr. Turner) quote statistics to the Canada Labour Congress showing that every-

thing looked fine and employment was increasing. He pointed out that more people were employed in Canada than ever before, that our standard of living was rising and that everything was rosy. Let me tell you, Mr. Speaker, it is not rosy for a very large number of people; it is not rosy for those who cannot afford the bare necessities of life at present-day prices. The hon. member mentioned a number of things that had been done with respect to such items as oil, bread, milk and beef. Surely the Liberal Party is not going to take any credit for that, because that was the price the NDP extracted for supporting the government.

Let me add that even we may have thought those programs out poorly, because they were only a bargaining position. But again let me tell you, Mr. Speaker, they were really terrible programs when put into effect by the government because it did not have any rationale for putting them into effect. Even yet the government has not started to sit down to try to rationalize rising costs and their impact upon persons who are least able to afford them.

I think it is true to say that Mrs. Plumptre should go, and I would add that the Minister of Consumer and Corporate Affairs (Mr. Gray), should also go because he is of absolutely no value. Really, we have not done anything in this House about the cost of living; we have not done anything about putting controls on food prices; we have not done anything about restrictive trade practices. It is interesting to note that recently seven cement companies in British Columbia were charged under the Combines Investigation Act. What did we do with those companies, Mr. Speaker? We fined them $500,000. But how much money did they make? They probably made $100 million from the illegal practices in which they were engaged.

I suggest that if the Nielson company raises the price of chocolate bars today, then tomorrow all other chocolate companies will raise their prices because they all operate as a combine. Really, Mr. Speaker, there is no longer anyone in the Conservative Party who favours competition. In fact we do not have competition in this country. We have made all kinds of tax concessions to corporations, so that in effect we have eliminated the possibility of competition.

When one bread company raises the price of bread, all bread companies raise their price. I can give one example of a case raised by one of my constituents who pointed out that a specific commodity was 50 cents higher in one store than in another store in the same community. What was the result? The Department of Consumer Affairs drew this to the attention of Mike's supermarket, which then reduced the price by 50 cents. But, Mr. Speaker, that price is still 30 cents higher than in many of the chain stores in Toronto. Incidentally, this information comes from the Department of Consumer Affairs.

We really have not decided to do anything about that problem. We have not decided to cut out gouging. We have not decided to put in competition. Think what would happen if we considered buying into the food industry in the way we have in other fields. Suppose we went to one of the major chains and said, "Now you are operating a chain store and a wholesale business for us and you will supply 15 basic food commodities at a price we will set which will be reasonable for all those on low, fixed incomes. You can do whatever you like with the other commodities you sell, raise their prices as high as you like, make what profit you like on them and that profit will pay for the 15 basic commodities." That might be one way to reduce prices. But it is not what we did with bread, because the consumer did not achieve any saving on bread and the producer did not get anything out of it. In fact, he was asked to subsidize bread by $1.50 a bushel. Without any direct subsidies, the price of bread has increased.

The story was different with milk because there was strict marketing legislation in effect, as a result of which the price of milk reflected the 5 cents that the federal government gave to the provincial governments. The Minister of Agriculture (Mr. Whelan) could not stabilize the price of beef on the same basis. In fact, I think he said quite clearly that he could do nothing more than he had done under the circumstances, because the producers will not get together and enter into an arrangement that would allow orderly marketing so that a subsidy could be provided to keep the producers in business.

Mr. Speaker, I point out that if the producers go out of business, then the price of beef will automatically go up. If such an arrangement were in effect, the minister would be able to subsidize the consumer at the same time so that the price he paid would be fair and he would not be gouged by the middleman and others out to make a profit.

I would like to see a vote on this motion. I would like to know whether the Liberal government is interested in doing something about the cost of living in a meaningful way, and at the same time maintain a guaranteed income for those at the bottom of the income scale.

An hon. Member: Then let's have a vote.

Mr. Peters: The hon. member raises a good question. We will have many opportunities to vote. Let me tell you, Mr. Speaker, that so far as I am concerned if the government pretty soon does not start to do something fundamental about some of the problems, it will not get my support. But I hasten to add, having listened to the Conservatives and the alternatives they have put forward, that I think they are less entitled to my support than the government, considering the fiddling around they have been doing with a very serious problem.

May I call it six o'clock?

The Acting Speaker (Mr. Laniel): I gather that two minutes extra were allocated to the hon. member, and therefore he has finished his speech. It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the house took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I heard with interest some speeches delivered this afternoon and I find it rather strange once again that some members are more interested in playing politics than in really looking

for proper solutions to the problems now existing in Canada.

The Social Credit Party of Canada recognizes as the basic principle of its philosophy that the human being is the most important being in the world and that indeed no community could exist without the individual. In order to recognize effectively that importance of the individual, we must organize our society so as to respect any individual whoever he may be.

Now, in a modern society, in order to recognize the importance of the individual, we have to recognize his needs and his right to satisfy those needs.

I think that you will all agree with me that the individual is better qualified to know his own needs as he is better qualified to decide how they can be satisfied.

But if our society is to meet each individual's needs, it must be structured so as to allow the individual to make a choice while preserving his freedom; in other words, he must be assured of his security with freedom and not without it. Let me give you an example; I give security to my dog, in feeding it, in giving it care and shelter, but without freedom, for I am the one who decides when and what it will eat, and if I decide it will stay outdoors, it is my decision, not the dog's decision.

But, Mr. Speaker, I still can say the dog enjoys security, but I repeat that this is not the type of security we ought to give people.

We must give the individual security with freedom. That is what is really difficult.

This government and previous ones have certainly attempted on several occasions to guarantee some security to the individuals but, every time, they applied controls thus deciding for the individual and restricting his freedom. There is plenty of evidence to support this. With one hand, they give the individual some degree of security but with the other, they put a collar around his neck. Every government acts like a trainer with his animal: with one hand, he gives it what it likes, what it wants, and with the other, he puts a collar around its neck in order to direct it, to oblige it to do what he wants. I am sure that once more the animal has some security, but no freedom. The only way we can really be sure that the individual's needs will be met is to go back to the means of exchange between the needs and the production of goods necessary to meet these needs.

The most common means is still money. Within 50 years or even 100 years, we might have developed some other means of exchange. We might go back to the barter system, which is the exchange of one commodity for another. But in one way or another, today, the most common means is still the use of money. It is therefore necessary to provide individuals with the means to meet his needs through an existing production, that is a means of exchange, by providing him with the money he needs for this purpose.

The minister of National Health and Welfare (Mr. Lalonde) may say that hospitals are not money. They are services designed to meet needs, and older people homes are services that are designed to satisfy needs. But the minister does not understand, and his colleagues even less, that these services are subject to some sort of freedom loss. Can the older citizen who goes to live in a home choose what services he will get inside? No, he cannot. What section he will live in? No. The older citizen is placed in a corner, and they say: society is taking care of him, it is taking care of his security. It may be so, but it also destroys or deprives him from his freedom, or part of it. And this is what happens whenever the government tries to meddle with the so-called social affairs.

We feel therefore that the solution to this problem would be to find a way for society to provide each individual with enough money to allow him a choice, enough money to satisfy his basic needs and help him make his own free choice. It remains for us to find the means whereby society can recognize the needs and fully satisfy the needs of everyone without penalizing some of them, as it is the case at the present time.

Mr. Speaker, the philosophy of this administration is based on the necessity to distribute the riches. We have heard government members mention in turn that distributing the riches meant taking away from those who have too much to give to those who have nothing. Any way, the potential of everybody is reduced so that we end up with a "gang" of "have-nots", while some of the wealth is in fewer hands. A society where wealth is shared is the just society we want. But what really goes on? Tax exemptions are granted to large companies. They are permitted to increase their price. What help for the little people! This is so in the case of sugar, iron and oil. This is probably how the government feel that lower income people should be helped. And what is more surprising still, the four most highly paid individuals in Canada do not even pay a cent of income tax a year. This is the "liberal" redistribution of wealth.

No doubt the minister of National Health and Welfare intends to talk again about higher family allowances and old age pensions, but he will not say that those alleged incomes are now taxable. Unemployment insurance benefits are taxable. Whatever they give with one hand they take it back with the other so that those who still have the strength or courage to work are penalized.

● (2010)

Last week, I asked a carpenter to come and make a few repairs in my home but after discussing with him we agreed that it was only a two-day's work. Then the guy made me easily understand that he was not interested in losing his unemployment insurance benefits to work two days at my place. He said that by working two days for me he would earn only $60 whereas he would be paid over $100 by the unemployment insurance and that in addition to that, if he made those repairs for me, he would lose his unemployment insurance benefits. He would be penalized. So he refused and rightly so. Why would he be foolish enough to lose $40 and be victimized by an incompetent Department of Manpower and Immigration? That man is right when he does not want to be penalized as is done by all the existing welfare programs.

We, in the Social Credit party, are trying to consider facts from a new angle, namely that all individuals should get help instead of penalizing some guy in order to help some other one faced with hardship.

Therefore I urge the minister to stop being so blind and to have a little more nerve and energy with regard to his approach to a review of the government administration of social programs. I take advantage of this opportunity to give the minister a few technical explanations about the philosophy behind the rights of the individuals.

In the third edition of his work entitled Warning Democracy published in 1935, Major C. H. Douglas wrote in connection with finance and industry, and I quote:

> If we consider the fact that the production of goods of all kinds, by unit of mechanized work employed, and if we also consider that this energy over the last 100 years increased from 3,000 to 4,000 per cent . . .

And I would say more than that today. I quote further:

> . . . three things can happen: either each and everyone must consume 30 or 40 times more than before and consume still more as energy makes possible increases in production; either we have to dispose, through export or otherwise, of our production surpluses; either we must admit that the so-called unemployment problem results from progress in applied research in industry and that we have to make drastic changes in the system of distribution.

We have precisely come to that point today, but in his analysis Major Douglas was lead to propose that distribution of income should be separate from employment, in other words, that income does not necessarily arise from a job, so as to provide each and everyone with a vital minimum.

In Quebec especially, this opinion of the Scottish engineer was really recognized only after sociologists and theologians made the population understand that nothing in this statement was contrary to the social doctrine of the Church.

Daniel-Rops and Jacques Maritain, two eminent Roman Catholic sociologists and philosophers, have set forth in convincing terms the philosophy of the minimum living wage, and this idea has gained a lot of followers.

Daniel-Rops wrote in *Par delà notre nuit:*

> The solution lies in the establishment of a minimum living wage to which every man would be entitled simply because he was born.

Moreover, Jacques Maritain says in *Humanisme intégral*: "The law of *usus communis* leads us to conclude that, at least as concerns man's primary, material and spiritual needs, it is fitting that we should get for nothing the greatest possible number of things."

The Social Crediters were the first to realize the new economic and social conditions brought about by new techniques and automation. And I should like to take this opportunity to say to the New Democratic member who spoke before me that this is the very essence of the difference between Marx and Douglas. Karl Marx did not recognize automation and could not in his time foresee the advent of production machinery.

That is why the Social Crediters were the first to demand a minimum living wage based on production. The first measure to that end was to come into force in Canada through the passage of the family allowance legislation.

In 1947, the *International Labour Review* defined the implied objectives of this Canadian legislation as follows, and I quote:

> The desire to keep at a satisfactory level the family purchasing power, especially of low income families.

The Review stated further:

> Family allowances were not considered as a salary supplement—and still less as a relief—but as a social measure designed to protect the incomes to which, according to some sovereign states, and for economical and social reasons, families, including children, are entitled.

The documents make it clear that the idea was gaining ground and that no less than 30 economists, sociologists and prominent Americans urged the U.S. President, Mr. L. B. Johnson, in 1964, to have a piece of legislation passed "so as to provide every individual and every family with an adequate income".

According to the authors of the brief addressed to President Johnson, such a minimum income should be high enough to make it possible to do away with all the social measures in force: unemployment insurance, social welfare, old age security pensions, medicare and others.

Later on, Robert Theobald, who had signed the previous document, set forth his philosophy on a guaranteed minimum income in his book *Free Men and Free Markets.* He explains that this minimum income should be guaranteed by the American Constitution and that it represents a basic right that no law, no court or no individual could abolish.

That, Mr. Speaker, is a sound attitude which is surprisingly like what we have been advocating for more than 35 years.

In a so-called free and developed society, greater individual freedom is thus desirable. The guaranteed annual income is a giant step in that direction, since if such a program were implemented and administered in an effective manner, it would be possible to decentralize the decision making power for the benefit of the individual who could be master of his own destiny.

Whenever the government is criticized for having failed to eliminate poverty and to provide the Canadian people with the means to further themselves, its spokesmen are ready with an answer. The minister will certainly prove it in a few minutes, because he will give a list of recent measures providing for the expenditure of public funds for the benefit of individuals. We can always say that those measures are inadequate, which is true in most cases. There is, however, a more serious objection to the government administration as regards financial credit in terms of present needs and aspirations. Such a policy means that the government decides in an increasing number of sectors what type of service could be provided, what type of activity people should undertake, as well as how people should get money to live on.

In other words, more and more power over the lives of the people is concentrated in the hands of politicians, of bureaucrats. Such being the case, public services of better or lesser quality can be given the people, but the areas of development, where the individual's wishes and needs find expression, are reduced, because what he will receive or what he will have to give is being determined more and more rigorously.

● (2020)

The citizen who is unable to exercise an effective control over the process becomes passive, frustrated or rebellious. We have seen cases of it in the province of Quebec

and elsewhere. Obviously, the process through which power is removed from the individual and concentrated in the hands of the government has reached a very advanced stage in Canada, and it is still in action.

Yet, this is the exact opposite of what should prevail. Society exists to serve the individual and not to dominate or manipulate him. The Créditistes see in the institution of a guaranteed annual income program one of the means through which this deplorable tendency in our society could be checked.

If we admit that all citizens have the right to dispose of enough money to meet their basic needs, they will then be in a position to choose their own priorities and make their own choices.

There will then be no need for them to accept the mere pittance of the government which too often reaches them in the wrong way or at the wrong time. They will be able to control the economic policy of the country to a greater degree and one dollar spent will up to a certain extent constitute a vote indicating industry that the consumer, not the government or the bank manager is satisfied with a particular product.

The industries which will not be able to meet the expectations and the yearnings of the individual consumers will not be able to stay in business. Some will object, saying that some individuals would be unable to meet their basic needs, even if they had enough money.

This could be true but the circumstances in which such a situation applies are very rare. Moreover, people can really become masters of their own life and learn how to control their needs only through the practice of free choice and decision making.

However, they cannot become free citizens if they cannot express their claims efficiently and if they do not have the means to express their demands.

The Créditiste guaranteed annual income scheme would favour the development of serious and responsible citizens. In my opinion, almost everyone in our society, struggles for freedom and economic security. But one does not want to deal with the problem, to accept plausible solutions.

The establishment of a guaranteed annual income scheme such as the one proposed by the Social Credit Party of Canada would be a giant step towards freedom and economic security for all Canadians.

To conclude, Mr. Speaker, I will say that the Canadians who are at grips with the present social assistance plans are fed up with the mere pittance they get and which only contributes to discourage them and to maintain them in misery and that the other Canadians who foot the bill are also fed up with seeing the government penalizing them to maintain needy people in misery.

[*English*]

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, it is with great pleasure that I enter this debate on a Créditiste motion for a guaranteed annual income. I compliment the hon. member for Champlain (Mr. Matte) on bringing forward this important subject for debate today. The two important words in the motion are "guaranteed" and "inflation". I wish to inform hon. members of the way I was taught to approach life. I was taught that Canada was not built on guarantees but with blood, sweat and tears.

We have entered into a period of great change. We are in the scientific age. Most scientific discoveries have been made within the lifetime of those living today. This is true of at least 80 per cent of discoveries. Machines, automation and other things that were never dreamed of are coming upon us very quickly. The automation of companies is designed to make the maximum use of machines. Machines cannot be justified unless they can put people out of work and this causes a great problem.

We have had, and are having, a migration of population from rural to urban areas. This is causing many problems. In addition, we are faced with a very high rate of inflation. This has helped add to poverty in this country and it has worsened the position in which people find themselves. In one year the dollar has eroded by almost 10 per cent because of inflation. I receive many letters from people who are concerned about how they are going to make out in today's world.

We have come a long way. Whether we like it or not, we have a great many guarantees. This afternoon the hon. member for Ontario (Mr. Cafik) did his best to justify many programs. They are, of course, in the form of guarantees. I do not think I could justify them in the same manner, after reading the many letters I have received from people in my constituency, people for whom these programs just are not working: I do not know whether it is because of the high rate of inflation, but I suspect that may be the answer. This is my first year in this House so I cannot compare the reasons now given by constituents with those of previous years. But without doubt this is the highest rate of inflation we have ever experienced.

We have many types of pension programs as well as an unemployment insurance program. These cause people in the work force many concerns. I receive a good deal of mail from people who retired a few years ago. Their pension is based on the salary they received at that time. Because of the erosion of the dollar and the high cost of living, they cannot maintain the standard of living they were used to in the past. People retiring today are in a much better position. Ten years ago people were retired at $200 a month; today they are being retired at $500 a month. People who retired ten years ago want to know why the pension plan cannot be changed so that they too can be brought up to the standard of living of those who retire today. It is not a cost of living escalation they want. This is the sort of question people are asking.

● (2030)

The unemployment insurance scheme is coming under fire because, it is said, the scheme is being abused. Those who level this criticism are the people who are paying into the scheme. All the security measures in force today, such as welfare, unemployment insurance, pensions, even the baby bonus, must be paid for by someone. It would not be so bad if these programs were doing the job they ought to be doing. Young people coming out of school with an education are told: Now you have an education you can do anything you wish to do, take any kind of job and do it successfully. They get a job. The rate of pay is low. They

see large deductions coming off their pay checks in the form of income tax and unemployment insurance.

Government spokesmen talk about having lowered the income tax. Unemployment insurance payments are another form of tax these people have to pay. They look at their pay checks and ask: What are we working for? We are barely getting enough to live on. We shall never get enough to be able to buy a home. We are in what appears to be a much poorer position today than our parents and grandparents were years ago, because they were able to purchase houses in which to live. What chance have we of getting a home today, with the high cost of land and the high cost of building?

It makes them do things we do not like to see done about the work ethic. They say to themselves: Why should I work? Why should I not take advantage of all the programs which will keep me going? I do not really need to work. So, viewed as a whole, the system is not doing what it is designed to do. We talk about a guaranteed annual income. I do not believe we should talk about a guaranteed annual income in isolation. I think we should be talking about guaranteed employment at the same time. We certainly do not want to bring in any type of program that teaches people not to work.

We have established a welfare program administered by many levels of government. It is not palatable to many people, although I should like to think there is no one in Canada today who would not be looked after. In many instances people in need would have to go on welfare. With the pride people have, they do not want to do that kind of thing. If we brought in guaranteed employment and a guaranteed annual wage, we could do away with welfare. Let's do away with welfare. Let's think of guarantees for the old, the infirm and those who just cannot work—not people who will not work, but those who cannot work. Those who are paying the cost of these programs, particularly the young people entering the work force today, are not fooled. They can see what is going on. They can see the bureaucracies which are built up. They realize the high cost of administering all these programs, and they can see they are not really working. Many people have not received what they ought to have received under these programs.

If we can do something about the high cost of maintaining these bureaucracies, if we can streamline the administration, I believe something useful might come from programs of this type. As it is, one department often appears not to know what the other is doing. Sometimes it does not even care. Look at the Canada Pension Plan. I receive many letters from housewives who are not able to take advantage of this plan, from people who have less than somebody else is receiving, from people who have not earned enough to get anything really useful from the scheme. We should look at all these programs, starting with welfare and unemployment insurance, and try to produce a system which is better suited to our needs. I close by saying we should in no circumstances do anything to destroy the work ethic in Canada.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, when parliamentarians debate poverty and social assistance plans they inevitably become engaged in a search for improvements and better methods. It would be surprising if it were otherwise, since regardless of what the cynics may say, men and women who go into politics do so with a desire to improve the shape of society. This is what the debate today is all about.

Much has been said about poverty on this continent. Volumes of reports have been written about the subject. A Senate committee investigated it recently. Obviously there are other forms of poverty beside economic poverty. There is poverty determined by isolation, by lack of qualities in life which may have little to do with economic well-being. If we limit ourselves to the narrow issue of poverty in economic terms, we can find it in many regions of Canada both rural and urban. It can be found in the most unexpected quarters. Consider the men or women who have worked all their lives in construction, in a factory or in a place not conducive to good health, and who toward the end of their working lives, say in their fifties, find they can no longer remain gainfully employed due to their difficult conditions and proudly refuse any form of public assistance.

● (2040)

Poverty can also be found among the victims of an accident or of a progressive disease, persons who can no longer continue to be the breadwinner for their families. It can also be found among injured workmen, victims of accidents at work who are suddenly pensioned off at rates set under provincial laws, people who may have lost a limb at work while making a productive contribution to society, or people who have broken their backs and who as a result may also have to go on welfare and whose income as determined under provincial laws is inadequate. We see many examples in large urban areas of people on pensions that are not tied to the cost of living index, such as workmen's compensation pensions, or whose pensions are not adjusted over the years.

Poverty can be found among those who work for wages at minimal levels, people with large families struggling to make ends meet and to give their children an adequate education. Sometimes there may even be temporary difficulties which perhaps lead to situations that cannot be termed poverty but near poverty, such as when a family has to face unexpected dental bills for one of its members. In this respect it is very reassuring to see what is being done presently by the province of Saskatchewan through its program of dental care. As well, we had the announcement today by the province of Quebec.

It is against this background of poverty, which others have defined much better than I have, that in designing a system in society that leads to a guaranteed annual income one would inevitably create legislation of the kind that we have today in Canada. Allow me to expand on that for a moment. It is really a legislative framework that seems to me to consist of six basic pieces of legislation: the Canada Pension Plan, the Canada Assistance Plan, the Unemployment Insurance Act, income tax, the guaranteed income supplement and family allowance.

Time does not permit me to discuss in depth these various tools which over the decades successive governments—and here I must stress successive Liberal governments—have developed for the benefit of Canadians. These tools are available and they are working, but as

changes in society take place over the years they need to be adjusted and sharpened to meet more adequately the demands and shortcomings of society. For instance, in the Canada Pension Plan we have a fine measure that protects the income of widows, orphans and retired persons.

Other hon. members have already spoken about mail coming in quite frequently from people urging the government to reduce the age of retirement. In the Canada Pension Plan there are certain provisions which perhaps could be improved; for example, the disability pension that can only be obtained if a person has contributed to the plan for five years. This leads to a very sad state of affairs for people who have contributed to the plan for only four years or 4½ years and who find themselves deprived by a few months of an income that would compensate them for their unexpected disability.

Another aspect of the Canada Pension Plan which could be improved is in providing a means of integrating it with other pension plans for the benefit of immigrants who before coming to Canada contributed to pension plans in other countries. Immigrants may have worked in many other countries and contributed to social security schemes elsewhere. It would be desirable, and would not be to the cost of Canadian society, if contributions made to these social security systems in other parts of the world were somehow pooled and added together so that the beneficiary would get a pension from one administration and in one sum, rather than having to apply to several different administrations, an enormously complicated process. Then there is the situation of the woman who has no job with an employer but who does work at home. Many members have made representations to the government regarding the desirability of permitting women to benefit from the Canada Pension Plan by contributing to it even though they are at home.

The Canada Assistance Plan is another of the tools we have. I wish to refer to the role of the provincial governments under that plan. The provincial governments could implement a number of measures for senior citizens, for the disabled, or to provide services in the community for those in need. We have had some exceptional examples of certain provinces in Canada, as well as some miserable performances from others, like the province of Ontario, where use of the Canada Assistance Plan has been limited up until now.

Not much has been said during this debate about unemployment insurance, yet it is an important tool in the maintenance of the income of Canadians, particularly those in the poorer regions. This is a very substantial piece of legislation which was passed by this parliament. It was even recognized as such by hon. members opposite, who are now asking for inquiries and investigations into the operation of unemployment insurance. One year ago, five or six members of the Tory party broke ranks with their own colleagues and supported the provision of funds for unemployment insurance. If I remember correctly, all of these members came from the maritime provinces, and obviously they did this because they well knew how desirable it was and how important a part unemployment insurance has to play in income maintenance for the people in their area.

The Income Tax Act is a very powerful piece of legislation that endeavours to redistribute income, which in a democratic society is perhaps one of the most remarkable ways of achieving social justice. We have recently completed an exercise in income tax reform. It is perhaps a pity that we were not able to introduce full rates for capital gains and we settled for one half, but this is something to look forward to in years to come and would produce additional revenue that would improve schemes of support for people in need in Canada.

● (2050)

This motion also deals with the question of inflation. Here it is important to keep in mind certain developments which have taken place on the world scene which demonstrate how the situation was precipitated in the last year. One might look at the basic commodities we use in Canada and ask what has happened in respect of the price of these commodities. If you take sugar and coffee, the increase in price over a 12-month period has been 5½ per cent. In rubber, cocoa and tin, the price has doubled in a 12-month period. The price of rice has increased for times over the period of one year.

One can realize how difficult it is for any economy to provide a satisfactory answer to people when they go shopping and find increases in the price of commodities on the shelves. The measures which have been taken by the government and which, according to the mover of the motion, are missing were quite eloquently put forward this afternoon by the hon. member for Saint-Jacques (Mr. Guilbault). All I shall do, therefore, is place on the record the projected subsidies for 1974-75 for two basic consumer goods, namely, milk and bread.

In the case of milk we have a continuing indirect milk program and milk subsidy. The estimated amount of the subsidy on milk which the government of Canada is injecting into the economy is $257 million. In the case of bread there is a continuing subsidy of $120 million. These subsidies are accompanied by a host of other measures, such as in the case of meat which was recently announced by the Minister of Agriculture (Mr. Whelan). These measures have the very clear purpose of stimulating production and making it more and more desirable for farmers to increase production of certain commodities in the hope that the increase in quantity will be matched by larger volume sales.

It seems to me that this is the kind of substantial, tangible action that the hon. member for Joliette (Mr. La Salle) was asking for this afternoon. Having asked for action, he continued speaking for 20 minutes. In what he said it was very difficult for us to perceive any tangible proposals or recommendations in respect of these crucial questions. These actions which have been brought forward by the government of Canada during this very difficult time have been in contrast with the 90-day period of meditation proposed by the Tory party which they call euphemistically the period of freeze. During this period—some people would call it a period of yoga—the Tory party would meditate on the measures that would follow the 90 days. After the 90-day freeze, no one knows exactly what would happen. The income policies that would follow this 90-day period of meditation are such that they have not been defined in this House in any of the debates on

inflation. It seems to me that Canadians will not be easily fooled by promises of income policies which we all know would hit hardest the people with whom this motion is so concerned. However, that could be the subject of another debate.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I am glad to second the motion moved by the hon. member for Champlain (Mr. Matte), a motion that invites the government to turn aside from the beaten track and implement a measure to recognize the right of the people to live by way of a guaranteed annual income.

It is obviously an advanced measure and I would go so far as to say that it could be considered as a first. I believe that rather than innocently witnessing the collapse of the capitalist system, it is important to hurry up and bring about significant changes.

In every country of the world, people are complaining about inflation. All governments are seeking solutions and are trying to apply various measures to cure their economy of inflation, but such measures are not working properly. Unfortunately, our governments' advisers disagree on the definition of the word inflation. I believe that this is because the advisers often base their opinions on what they have seen in dictionaries, where inflation is defined as "the excessive issue of paper currency", which means that in order to fight inflation, the amount of money in circulation should be reduced, less money should be printed and more should be taken out of circulation through taxes or otherwise.

As financial credit is gradually replacing paper money in business transactions, inflation is therefore imputed to the overly free issue of financial credits by means of bank loans, and a restriction of credit is recommended.

Our governments even order an interest rate increase to discourage borrowers. When these measures prove insufficient to fight inflation, the government calls on the people to practise voluntary restrictions and austerity. The population is asked to hold back spending. In spite of repeated invitations during the past five or six years, nothing is changed by this, while inflation goes on as if our rulers had lost control.

Another definition of inflation, more recent and imaginative than that of the dictionary, has been used lately in magazine articles on economic matters. I quote:

Inflation is too much money running after too few goods.

However, Mr. Speaker, between this definition and the real problems, the link is easily made, but no one can maintain that the inflation prevailing in developed countries results from a shortage of products in the face of excessive buying power. Nonetheless, 90 per cent of Canadians are aware that such is not the case in this country. Most wage earners, as well as all retired people, needy mothers and unemployed know too well that inflation, the high cost of living, is not due to the fact that they have too much money in their wallets.

● (2100)

Inflation is due to the current financial system which is not attuned to the reality of production and consumption. The accounts of the system are false. Honest accounts are

the only means to counter inflation without prejudice to anybody's legitimate interests. Honest monetary accounts and accounts corresponding to real facts are objectives we would reach through the application of the financial data given by engineer and economist C. H. Douglas half a century ago.

The one and only fact of price increases proves the inefficiency of the system. If it were attuned to the real facts, there would be no inflationary prices but, to the contrary, a gradual reduction of prices as technology would increase and facilitate production.

And, Mr. Speaker, the guaranteed annual income plan suggested by the hon. member for Champlain (Mr. Matte) today is a step that should be taken as soon as possible.

It is true that people who object to this plan believe that increasing the spending power of the public would succeed only in aggravating inflation.

They claim that producers and distributors would bump their prices, knowing that people have the means to pay more. Facts prove, however, that this argument is not realistic. In fact, we tend to believe that the opposite would be true. More purchasing power in the hands of consumers is not necessarily the same thing as excessive purchasing power. Some economists now admit that inflation can as well be induced by increased pressure from the industrial costs as it can be when there is too much money to buy too few products.

It is generally recognized today that the problem of increasingly rising costs generated the rampant inflation we are now experiencing.

There can be no doubt that some industries are pocketing inordinate profits, but numerous surveys on the causes of mounting prices could not show convincingly that all producers had taken advantage of the situation.

The findings of the Food Prices Review Board are but one example among many others. Even if this board has once in a while drawn attention to certain abusive practices in the field of prices, it has failed to prove up to now that consumers are in general fleeced by producers and dealers.

On the contrary, what emerges from business conditions in Canada is that distributors and producers themselves are squeezed between costs and prices; they are desperately trying to hold out in face of inflation. In other words, the present inflation problem is not solely due to market conditions at the dealer level.

The pressure of costs in industry is also a determining factor in the rise of prices. The Social Credit proposal regarding a guaranteed annual income would really make it possible to reduce the pressure of costs which increases every day.

So, far from contributing to inflation our program is really offering guarantees that such a situation caused by increases in the production costs may be improved and even controlled.

Our reasons for believing in such a solution are as follows: First, the revenue is now distributed among the people, provided they work. This procedure for the distribution of revenue is at least followed as strictly as possible.

However, it is obvious that the practice entails expenses which are not really necessary for the production of goods required by the people.

This is because most people work in the first place to earn their living and also because the efficient production by machinery reduces the number of jobs. There is unfortunately in our economy at the present time an extremely strong tendency to bungle production, to stretch the work as much as possible rather than to complete it in the shortest possible time. All the mechanisms designed to extend employment increase costs which must finally be recovered by the company. In the long run, it is the consumer who pays and prices also increase each time production costs are passed on to the consumer.

An effective guaranteed annual income scheme under which the consumer would obtain a direct income would change the situation completely, because this income would not come from the production system and would not be considered as a production cost. Therefore, it would not have to be added to the prices charged to the consumer.

The problem of distributing an adequate income to the people to enable them to buy all the products they want would be solved. Production efficiency could develop faster than it does presently because instead of trying to maintain jobs at all costs, businessmen would try above all to increase productivity by using machines able to produce much faster than by hand. The result of such a policy would be to reduce production costs and the producers would be able to pass on this saving of labour and material to the consumer through lower prices.

So, the Social Credit Party of Canada urges the government to adopt a modern and simple guaranteed annual income system in order to enable the country to cope with inflation caused by increased production costs. It means that if we distribute a guaranteed annual income to all citizens, we should automatically be creating a very effective means of coping with inflation.

Mr. Speaker, the Social Crediters are not the only ones to stress this fact. During a conferance, a world famous economist, Professor John Kenneth Galbraith, warned that the present industrial system "cannot insure that the purchasing power in the economy will be equal or even approximately equal to the products that can be manufactured through present industrial methods".

A universal guaranteed annual income system paid out of new credit would contribute to increase the purchasing power of the people so as to raise it to the level of production. Instead of mortgaging their future incomes, people could buy with today's money the products they need today, which would put an end to the staggering increase in the consumer debt which has quadrupled in less than 10 years.

Mr. Speaker, another economist, an English one this time, Robert Theobald, in his book published in 1967, wrote, and I quote:

> The principle of a guaranteed income is based on the basic American belief in the right and capability of the individual to decide what he wants and must do. That is undoubtedly the meaning of the words "private enterprise", that the individual must have the right to obtain enough resources to do what he believes to be important. In the past, the individual could go into business and obtain resources through it. Today, the facts shaw that the small businessman and the small company cannot compete with giant corporations. So the ideal on which private enterprise is based can only be preserved through a guaranteed income. In fact, a guaranteed income would bring about the revival of private enterprise.

Mr. Speaker, a guaranteed annual income would also help enormously from another point of view. Let me mention the public debt. We have nothing to hide, we just have to look into the financial statements of our municipalities, of our provinces and of the federal government to see that this debt is increasing every year in a dramatic way. The public debt service also increases every year. The public debt increase undoubtedly proves that our municipal, provincial and federal governments are incapable of fulfilling their obligations and have to go into debts. A guaranteed income, derived from taxes, would certainly not improve the financial status of the country or of the Canadians.

This is why today the hon. member for Champlain (Mr. Matte) has submitted a motion to the effect that this guaranteed annual income be taken from new votes, in order to increase the available purchasing power. Mr. Speaker, I think that this is the only solution that should now be applied by Parliament and I was very happy to associate myself with the preceeding speakers on this subject.

● (2110)

[*English*]

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I am pleased to be participating in this debate on the question of a guaranteed annual income, as it affords the House an opportunity to raise fundamental questions about the whole system of social welfare in this country. Let us not be mistaken about it, the very nature of the guaranteed annual income demands that it be comprehensive and that it not be just another partial or stopgap measure to be added to the existing labyrinthian maze of social welfare programs.

To examine the guaranteed annual income, therefore, we must examine it in the context of the aspirations of Canadians for social justice and in the context of the chaotic, inadequate and, yes, even perverse jungle into which our social welfare system has been turned by ten years of Liberal mismanagement. This, of course, is related to the state of our economy and it is the state of our economy that draws attention to the very low incomes, compared with ever escalating costs, that the poor in this country must face. The latest figures released by Statistics Canada indicate a progressively deteriorating situation for the Canadian worker. Average weekly earnings in December, 1973, were only 5.9 per cent higher than those for December, 1972. When compared with a cost of living increase over the same period of time of 9.1 per cent, it is indeed obvious that whatever the working man has managed to get in salary increases has more than been eroded by inflation.

It is interesting to look at the charts for the past year. Average weekly earnings generally increased over the previous year by 7 per cent or 8 per cent. The consumer price index started off in October, 1972, at a rate of 5.3 per cent. The following month it was 5.1 per cent and in December it was also 5.1 per cent. These figures give the increase over the previous year. Then last June there came

a time when the two graph lines crossed. Average weekly earnings were then 7.8 per cent higher than the previous year and the cost of living was 8.1 per cent higher. It is of interest that every month since then, when this unfortunate statistic has been facing the government, average weekly earnings increases have been less than the large weekly increase in the consumer price index.

What happens to people who are poor in this wealthy country? What are the effects of poverty on the poor? I would like to quote a few words from the Economic Council of Canada's sixth annual report:

> One of the most important consequences of poverty is that it affects the ability of the poor to invest in themselves and thereby to lead more productive lives within the economy. This is illustrated by the lower relative expenditures on categories of goods and services which are particularly important as a basis for skilled and effective labour force participation, such as expenditures on education and reading.

We live in a country that prides itself on granting equal opportunity to young people. Our educational system attempts to do this. However, Mr. Speaker, the people who live in a poor section must have the best schools in a city in order to have equal educational opportunities—but they do not have them. Generally, schools are on a par over an entire community. Unfortunately, the best teachers are able to choose the schools in which they wish to teach and they tend to gravitate toward the people who are more success-oriented in the wealthier parts of town, and consequently the poor are left even further behind. I quote further from the report of the Economic Council of Canada:

> A family's inability to invest in itself is likely to have particularly serious consequences on young children whose potential abilities are largely shaped in the years of early childhood. There is accumulating evidence to suggest that children of low income families in Canada are most unlikely to have adequate access to needed resources in their early years. Even the possibility of significant child nutrition problems, seemingly so improbable in this country, must be taken seriously. A provincial minister of welfare recently stated publicly that some of the children in his province were too ill-clothed and ill-nourished to attend school.

It is interesting to examine the expenditures of poor families compared with the average expenditures of non-poor families. The poor families' food expenditure is only 70 per cent of the food expenditures of non-poor families. But when you get to such things as education and the ancillaries connected with education, the poor can only spend less than 40 per cent of what the wealthy can spend. Again to quote the Economic Council's report:

> —a very substantial proportion of the adult poor in Canada consists of those who either have, or could be provided with, income earning potentials . . . there is a resulting high economic cost to our society in having failed to discover and implement more effective policies and programs to permit them to utilize these potentials. In other words, when we have such large numbers of poor in the working force age groups, our economy is simply not producing as much as it could or should.

When you look at the guaranteed annual income there are certain things which are obvious. There must be incentives but there must be different types of incentives. You must have incentives for those who cannot work, who are unemployable. These are the aged, the incapacitated, people who suffer severe illness and are sick and unable to work. Then there has to be a different kind of incentive for people who are employable. I believe in a guaranteed annual income, but it should not be upon the same scale

for a healthy young person who simply chooses to opt out of the working force as it is for an elderly citizen or an incapacitated person. I believe that those who are employable should be required to accept employment or else exist on the barest subsistence level.

A few weeks ago the hon. member for Hastings (Mr. Ellis) brought forward some statistics. They showed that the administration of one part of our comprehensive social coverage was being so badly managed that it was expected there would be a 50 per cent rise in costs this year. I am speaking about unemployment insurance. One of the unfortunate things about unemployment insurance is that the government is using it to do something for which it was never intended. Unemployment insurance was originally intended to look after the person who was employable and who through no fault of his own had become unemployed. It was thought only right and proper that he should be able to maintain his lifestyle until he was able to find further employment. But the present government changed that.

I was astonished to hear the hon. member for Davenport (Mr. Caccia) refer to this matter a few moments ago when he said the unemployment insurance program was really an income maintenance plan which apparently fits in with the government's welfare scheme. This is partly what is wrong. Members of the government have taken a good concept and have operated it in such a loose fashion that it is no longer an unemployment insurance scheme; it is a loose set-up that just invites rip-off. Members of the government do not know what to do when things go wrong, with the result that they tighten up the scheme arbitrarily, through regulations, instead of coming back to this House and trying to redraft the legislation.

Sometimes I am puzzled at the way backbenchers on the government side make odd remarks during their speeches. Perhaps they are as restless as the rest of the country about the cabinet's handling of the economy. This afternoon the hon. member for Ontario (Mr. Cafik), who is Parliamentary Secretary to the Minister of National Health and Welfare, listed 16 propositions that the government had in its latest plan. Outside of being basically concerned or a little skeptical of anybody who has that many propositions to offer, I was astonished to hear him mention the Department of Veterans Affairs as being something to boast about. That baffles me. At this stage in its existence that department probably has its worst reputation since it was set up. It is trying to squeeze out the veterans hospitals or get them transferred to other jurisdictions. It is at the last moment considering stopping the Veterans Land Act, yet the hon. member brought it forward as one of the shining lights of this government. Perhaps he was forced into it by our friends to the left.

● (2120)

I should like to speak about the institution of a guaranteed annual income. If this is to come about, it must be done carefully and by stages. It does not have to be a magnum opus that will all be put in one bill. A guaranteed annual income is possible and I think it is realistic to look at it. At the start, it should be clearly defined who needs it most. We could begin with the aged and then work down. We have a guaranteed annual income in British Columbia for those aged 60 and over and I think it should be

considered ahead of the Manitoba scheme. British Columbia is a rich province and its finances were carefully managed in the past 20 years. When the old master left the political scene, he left half a billion dollars for his profligate heir. As a result, this plan is not costing as much out of current income as some prophets of doom had forecast. It means a great deal to those aged 60 and 65, particularly widows. I have had letters from widows who were honestly unable to see how they could manage until they reached 65, so I am pleased that they now have somewhere to turn.

I suggest that the federal government might talk to provinces such as British Columbia who have taken the first steps toward a guaranteed annual income for those aged 60 and over. The Premier of British Columbia uses the same languages the Prime Minister (Mr. Trudeau). I see by the press that they use the same four-letter words, so they should have no difficulty in communicating.

In closing, Mr. Speaker, I should like to refer again to the Parliamentary Secretary to the Minister of National Health and Welfare who spoke this afternoon. Toward the end of his remarks I could only think that he has been working around the bureaucrats too long. Some of his suggestions were loaded with the bureaucratic nonsense we become used to hearing. Perhaps he will be brought back to reality by a letter which I received from a constituent of mine on January 18 which reads:

Dear Mr. McKinnon:

We are constantly told to write our members if we have a complaint. This is why I am writing you. My beef is with the pension department.

I am a widow and work as a seamstress in... Ladieswear, a part-time worker I should add. At the end of 1972 when I became 78 years old, I decided that at that age I surely should not be ashamed to apply for the supplementary pension. My normal income is $65 per month, and at that time I was receiving the $88 from Ottawa. Accordingly, I went to the local department and got a form to fill out. I was told that I had to resign outright from my place of employment—

Talk about disincentive! She had to resign from her place of employment.

—before making my application. I did this on December 18 of that year, then in the beginning of January I mailed my application to Ottawa. It was accepted, and at the end of April I got $35 per month in addition to the $100, which had been increased during the sitting. I had hoped the B.C. government would add a bit to that, but not a dollar did I get. Now, all this four months I could not earn a dollar, and had the above to live on. I agree that two pensioners sharing can do nicely on the slightly over $400 per month, but one person paying $95 rent can't possibly live on $200.

I had decided to go off this small supplement and go back to work in the fall when I was sure to be needed again, but by mid-June Miss F. phoned me to see if I would come in and work for a few days while one woman was off sick. I agreed but knew that I would have to report it.

Hon. gentlemen opposite think this is funny, but it is not funny to me.

However, when this woman came back, holiday time was here and there were others wanting off so I was asked if I would stay on another week and another, till I was there about six weeks altogether. The first of August I wrote to the department in Ottawa, which is where I thought I should write, telling them as plainly and as honestly as I have told you why I went back to work and asked them to take me off the supplementary pension. At the end of August I went east on a holiday with relatives— they paying my expenses, I might add. When I returned early in October I found a small note from Mr. M. in the pension department here, saying he had unsuccessfully tried to get me by phone, would I please contact him soon.

I phoned and found that he would be in that day, so I went down, not dreaming that I was going to be up on the carpet; in fact, I didn't tie this in at all with my letter to Ottawa. Mr. M. didn't see me, he sent his man Friday to do the unpleasant chore. They had sentence passed upon me before I arrived. Friday stressed the enormity of my crime, and said the pension department would have to have its pound of flesh, in my case $175, being five months of the supplement of $35 per month that I had received.

This lady had only worked for six weeks, yet they wanted to get back five months of the supplement.

I was stunned with this turn of events, in view of my being so honest in reporting what I had earned. This amount is more than half of what I earned. I asked him, why he didn't send me to jail? No answer. Friday kept saying that I had opted out; he flipped it around. I told him that I had not opted out; I was told to get out.

Remember, she had been told to resign so that she could get this supplement.

I expect when Ottawa received my letter, they immediately thought it belonged to the Victoria branch, so sent it to Mr. M., their FBI for B.C. There was nothing more I could say after being told that they would have no choice but to deduct $20 per month off my security pension until the entire $175 was paid. I walked out.

I believe that the federal government have done very well in their increase in the security pension, but their ruling on supplementary one is away out. I could live in a $30,000 home that I owned and get the minicome, but I can't pay $95 rent and get it. Now, does that make sense? And with the spiralling prices of today I can't possibly live on the $205 or whatever it is. I have to go back to work, and I am grateful that the place is there for me and it is not because they are sorry for me but because I am a good worker. I would rather work than accept any form of financial assistance and fortunately I am permitted to choose what hours I want to work.

I am grateful for this and my government should be grateful that there is a woman like me. I was treated like a common criminal at the department here. They found their man with $175 of federal money. And at Ottawa they throw money around like drunken sailors every day! I could weep over Canadian politics!

I only ask that the sentence that they have passed upon me be annulled and my money returned to me. I am not asking for a pension, I would rather work. I do not smoke nor drink and I do not even permit myself the luxury of cablevision. I know no further ways of cutting down yet the price of everything that I need to buy goes up.

I would be grateful for any pressure you could cause to be put on those who make these awful rules. I thank you.

Yours truly,

Minnie...

On January 31 I wrote to the minister. I received an acknowledgement of my letter but have not yet received a reply. I realize the minister is very busy and has to worry about millionaire football owners and who is going to control the American players who play in Canada. But this little lady of 78 years has expressed very well what is wrong with the department. I do not think anything I could add would put it any better than Minnie did.

● (2130)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all, I should like to say how I appreciate having the opportunity to participate in this debate and the chance which the Social Credit Party of Canada has given us to discuss in the House the important question of a guaranteed annual income.

I have appreciated the comments made by members today during the debate. I believe that we have indeed witnessed a debate of a very high quality which will

contribute toward advancing the ideas of the public, hon. members and the government on the poverty problem which we must now face as a country and as a society.

I should like to start by making a few comments about the allegations which were made today about certain things that I said or did not say. I refer in particular to the statement of the hon. member for Drummond (Mr. Boisvert) who quoted from a newspaper clipping according to which I had objected to the establishment of a guaranteed annual income in Canada. I would suggest to the hon. member that he refer to the document which served as a basis for the article which he mentioned to the House, and that instead of reading newspaper clippings, he should read the copies of this speech which I sent him several months ago and which he could have taken the trouble to examine. He would then have seen that the said article does not represent the ideas expressed in this speech at all. I also refer him to another speech which I gave on November 20 last, in Montreal, before the representatives of the Canadian Tax Foundation.

I hope that, in all honesty—and I count on the good will of the hon. member—he will take the trouble to destroy this clipping and will admit that it is simply a hoax or an article that give a completely false report of the statements that I made. Once again, I refer him to the speech that I gave in Montreal on this occasion, and he will see that far from objecting to the guaranteed annual income, I spoke in favour of it especially with regard to those who are unable to work or unfit for work, whatever the reason may be.

I shall waste no time commenting the remarks of the hon. member on the characteristics of the Outremont riding. I suggest that he give himself the trouble of spending a day or so in that riding; he will see that the limits of the riding are not necessarily those of the city of Outremont, and that even in that city there are still quite a number of citizens who depend on welfare benefits, specially in the poorer areas. The riding of Outremont is almost twice the size of the city bearing the same name and has twice as many inhabitants. I would even be willing to bet there are more people on welfare in that riding than there are in that of Drummond.

Like him, I have on occasion had some visit me at my office in Outremont. But I shall not spend much time on this matter because I feel it is important that I spend a few minutes to discuss the motion before the House.

I must admit that if it were a mere statement of principle relating to guaranteed annual income, I would have been happy to support the motion. However,I must consider that this motion is worded in a way which, unfortunately, does not deserve support from the government, and I do not believe that it should deserve support from anyone who examines objectively the situation as it has been in the country over at least a year and a half.

The motion read as follows:

> That this House regrets that the government has taken no concrete steps to ensure the establishment of a guaranteed minimum annual income to overcome poverty in Canada and enable each Canadian citizen to cope with problems of rising prices and to fight inflation efficiently.

First, I will point out to him that it is certainly false to pretend that no concrete steps has been taken to implement a guaranteed annual income scheme. First, everyone knows that the old age security pension with the guaranteed income supplement actually represents a guaranteed annual income. That was a measure passed by Parliament several years ago.

Now, since November 1972, we improved substantially the benefits set out in that plan. Furthermore, as was recalled this afternoon by my parliamentary secretary (Mr. Cafik) we are conducting a pilot experiment in Manitoba, 75 per cent of which is financed by the federal government and which is aimed at experimenting with various aspects of guaranteed minimum income. This will surely be of very great help both to the federal government and the provinces for the implementation of any further steps we could consider taking.

Needless to recall that in the month of April of last year this government published a paper on social security. It includes two propositions—proposition No. 6 and proposition No. 7—suggesting precisely that an income supplement plan and a guaranteed income plan be set up. I quote particularly proposition No. 7:

> That a guaranteed income should be available to people whose incomes are insufficient because they are unable or are not expected to work, namely the retired or disabled, single parent families, and people who are not presently employable by reason of a combination of factors such as age, lack of skills, or length of time out of the labour market. The guaranteed income would be paid in the form of an additional income supplement over and above the general income supplementation available—

—to be paid out to those able to work.

As a matter of fact, that paper committed the federal government to setting up a guaranteed income and a form of income supplementation; it is following the release of that paper that we started in co-operation with the provinces the general review of our social security system.

That paper released in the month of April last year was more than a theoretical effort put before this House to gain time or delay steps which could be called for. To the opposite, as was recalled by members of my party this afternoon, we have implemented many measures both in the area of family allowances and that of old age pensions, notably the indexation of social benefits and the increase in pensions paid under the Canada Pension Plan or the Quebec Pension Plan.

To assert therefore that no positive action has been taken to ensure a minimum guaranteed income is a false statement; one is really closing one's eyes to reality when supporting seriously such an assertion.

A guaranteed annual income, in the mind of the government—and in that I agree with certain aspects of the motion under consideration—is undoubtedly an effective weapon against poverty; that is why the government supports such a proposition.

But when the mover goes even further and indicates that it is a measure that would enable every Canadian to cope with the problem of price increases and to fight inflation effectively, I must tell him that annual income in itself is no guarantee against inflation or price increases. All will depend on the level at which the guaranteed annual income will be set and how it will be occasionally adjusted according to price increases. For example, last year we adjusted on the cost of living index all social

security programs, more precisely to enable the needy members of the community to face inflation and price increases. This is in no way related to the existence of a guaranteed minimum income.

● (2140)

Indeed, in my opinion, if we had to carry out not only the proposal as introduced in the House but also the specific proposals put forward by the hon. member for Champlain this afternoon, far from reducing inflation or obtaining a protection against it, I respectfully suggest that we would register the highest inflation rate ever experienced in this country and I will explain.

In its last report, the Economic Council of Canada, which is made up of many important representatives from all sectors of Canadian life, emphasized the necessity to maintain a reasonable rate of increase in social transfer and social benefit payments. Hon. members will recall that the Economic Council of Canada had suggested a rate of approximately 11 per cent a year. The Economic Council indicated also that if we maintained an excessively high rate of increase for these benefits, we would end up penalizing those we were trying to help, for it would result in a very high rate of inflation.

I have examined the proposals put forward this afternoon by the hon. member for Champlain who said that, although it may cost eventually a few billion dollars, this, did not appear to him to be of paramount importance. Although I admit this is only a summary evaluation, it is nevertheless close enough to reality, give or take a few billion dollars, according to my hon. friend's proposals.

His first proposal provided for a $300 grant a year to every person aged 18 or under. This would represent an additional cost of about $400 million a year.

His second proposal provided for the payment of $1,500 a year to each person aged 18 to 60. This represented a supplementary cost of about $16.5 billion a year.

His third proposal provided for the payment to all single people over 60 of $250 a month and $200 a month for the spouse regardless of his age. This proposal would represent a supplementary cost of about $7.3 billion a year.

The fourth and fifth proposals provided for the same benefits to widows and invalids and, to be generous, I did not figure out the cost of that benefit, telling myself I should leave some aside in case I would have overevaluated these proposals.

Moreover, it is suggested to increase the tax exemptions to $3,000 per individual and $6,000 per couple, with a $500 per child exemption. That would roughly represent a cost of $2.5 billion to $3 billion a year.

Once again, leaving aside the cost of proposals Nos. four and five, all this adds up to a cost of some 26 or 27 billion dollars. This is not too serious, since it is but 125 percent of the overall revenue and expenses of the federal government at the present time. So, this would be an increase, but since we have to get the money somewhere, my hon. colleague of the Social Credit Party proposes credit and the Bank of Canada as a solution, but let us forget about that for now. Let us suppose that the Bank of Canada does not want or cannot print all this good money, we would then have to increase all taxes and not only the income tax. We would have to double all present taxes to finance the proposals put forward by the Social Credit Party of Canada.

Apart from the economic and political difficulties, such a proposal, following the injection of those amounts in the economy, would give rise to an inflationary situation such as no country in the world has ever known. Yesterday I addressed an organization that was submitting some proposals and I accused its representatives of a possible lack of responsibility for not having figured what their proposals would cost. I realize that the suggestions I criticized yesterday were innocent compared to those made today and to the lack of responsibility shown by the Social Credit Party of Canada, if the members of that party are serious when they ask Parliament to enact such measures.

In fact, the social security review is under way and it is proceeding in a very encouraging way. The federal government can count on the co-operation of all the provinces and the study covers not only the principle of the guaranteed annual income, but also other aspects of social security. This afternoon, I heard with pleasure the hon. member for Vancouver Kingsway (Mrs. MacInnis) stress the fact that the guaranteed annual income is not in itself a panacea and that there is a whole series of other needs that we must continue to meet. And the idea that the guaranteed annual income will allow us to eliminate everything else is only a dream in colour.

Indeed, we will have to continue to assume a wide range of social services already in existence or that will have to be created. It is not because we will grant a guaranteed annual income to the handicapped people that we may dispense with rehabilitation services and retraining. It is not by granting a guaranteed annual income to the unemployed that the need of manpower training centres will be eliminated. It is not by awarding a guaranteed annual income to housewives that day nurseries will become useless. It is not by granting a guaranteed annual income that we will dispense with the responsibility of providing social services to meet all the individual needs, either physical or psychic, to enable people in various social circles to face a problem such as alcoholism, for instance.

Finally, we must review and examine social security on an overall basis, and not pretend that through one single step, we might easily change the world and come to a final review of the social security plan in Canada.

Mr. Speaker, I am pleased to emphasize that we expect to conclude within the anticipated time limit the work we are doing in co-operation with the provinces. I also wish to emphasize the fact that even though Manitoba is experimenting with a program of guaranteed annual income, this is not a reason for doing nothing or delaying the measures that could be passed.

The federal government as well as the provinces intend to implement all the steps that will be agreed upon in the review we have undertaken, and to act in future as we have done last year when we began an overall review of the social security plan. The government did not hesitate to put forward before this House specific proposals that became legislation and were passed by Parliament.

The federal government has put forward many steps and we intend to continue to do so. The provinces have also made important moves last year, particularly by increasing welfare benefits. I suggest that the provinces should also escalate the welfare benefits they are paying under the Canada Assistance Plan.

The federal government has escalated almost all its social benefits and I suggest that the provinces should seriously consider the advantage they would derive from taking the same steps as Parliament in this regard.

● (2150)

Mr. Speaker, I will conclude by simply saying that I am proud, like my colleagues on this side of the House, to be long to a government that achieved this review of social security and that brought forward in this House measures like those that were proposed last year. I am sure that the Canadian public recognize the value and the efficiency of the measures that were taken, and that they will continue to support the government that applies them.

Mr. Latulippe: Mr. Speaker, would the minister allow a question?

Mr. Lalonde: Agreed, Mr. Speaker.

Mr. Latulippe: Does the minister admit that all existing welfare programs would be abolished and replaced by one program, the guaranteed income program, and can he tell us what he intends to do with the program or proposals contained in the report on poverty and made by its chairman, Senator Croll, when he says that the guaranteed annual income would cost $1,900 million at the most?

Mr. Lalonde: I thought I had made it quite clear in my speech that the introduction of a guaranteed annual income would not involve the elimination of existing social services. On the contrary, those services might be extended to meet the needs of society. The guaranteed annual income might replace present welfare payments, but all existing social services will have to be maintained. I mentioned the unemployed, the disabled, the unwed mothers. I could list a whole series of others. Those social services will have to remain.

About Senator Croll's proposals, I would say that we could have a $100 million guaranteed income if you will. We would only have to set the guaranteed annual income at such a low level that it would cost practically nothing. All depends on the level it will be set, and this is a simple matter of cost.

For instance, when Senator Croll's report was made public, there was a general protest throughout the country, even from the opposition members who said, if my memory serves me right, that Senator Croll was not offering a guaranteed annual income but guaranteed poverty. Finally, everyone rejected the report and its proposals as totally inadequate.

I do not think Senator Croll's report can now be held up as the last word on the whole matter.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I am honoured to take the floor immediately after the hon. Minister of National Health and Welfare (Mr. Lalonde) on such an important subject.

Of course, I have five minutes left, and I would like to use them in a sensible way, in order to take part in the best possible way in the establishment of a social policy which would make it possible to eliminate poverty as much as possible in Canada.

We often speak about the third world, Mr. Speaker. We think that the third world is in Africa, in Europe, in Asia, and we forget that there is a third world in our own parishes, as the hon. Minister of National Health and Welfare rightly said earlier. There is poverty in his own constituency; and the Senate Committee on Poverty was concerned with the poor I think. That is the reason why they tabled a report containing recommendations that sought a solution to the problem of poverty in Canada, recommendations to the effect that we must necessarily adopt a guaranteed minimum annual income policy. In his report, Senator Croll and his colleagues were not frightened by figures. I think they have exaggerated more than the Social Crediters can do because, on page 23, one can read, and I quote:

> The poverty line for a person $2,140 per year.
>
> Income guaranteed level, $1,500.

We speak about $1,200 and it goes thus for people of all other classes. When this report was published, the Minister of National Health and Welfare was today's Minister of Labour (Mr. Munro), who gave the following comments about this report, as one could see in the November 11 1971 edition of *Le Droit*:

> It shows common sense but is too costly.

Mr. Speaker, was man born before money or did money come before? Who created money? Is it man or is it money that created man? We always judge according to dollars and do not think about the physical potential of this country. Canada is rich, but 60 per cent of the Canadian people are poor.

That is why, following a responsible inquiry, the senators wanted to make recommendations and since the recommendations were rejected, the chairman expressed his feelings in the following words. They are from a Liberal and not from me. I quote:

> Disappointed, Senator Croll deplored the fact that governments always find good reasons to excuse themselves for rejecting the project.

An hon. Member: How true it is!

Mr. Lambert (Bellechasse): They have been doing that for 40 years. In his comments on the Senate's report on poverty, the former Minister of National Health and Welfare explained that it could cost up to $2 billion to the federal government to achieve the annual guaranteed income project and the present minister who succeeded him is talking about $26 billion. Let us see if we can agree on figures. I have here official statistics about what is being done throughout Canada at the federal, provincial and municipal levels and if we add the administration costs of all those programs, we come to the sizeable amount of $21 billion. Therefore, we have come to the point where we are playing with billions of dollars. What can we do about it? It is this century, the year 1974 that

wants that. In spite of those billions, there are still Canadians starving in Canada. That is why, today, we have decided to work together, in an attempt to find a way to give them some security, some freedom and the possibility of leading a decent life.

To my mind, Mr. Speaker, we must continue to work in that direction and achieve that objective in Canada, namely the adoption of a guaranteed annual income that would give the handicapped, those who are unable to work, income security, while also allowing those with guts, those who want to work to do so without being penalized as in the case under our present social legislation such as unemployment insurance and social welfare. Today, when someone wants to leave the house and go to work, to help build his country, he is penalized right away because under our present laws he does not have the right to do so. We are thus deprived of his energy, his brains, his possibilities, his talents which could be put to good use in adopting a guaranteed annual income which would not automatically encourage sloth in Canadians, but which, on the contrary, would bring them out of their homes, get them to work and produce even more, thus enabling the country to do even more for the needy. It is in that spirit, Mr. Speaker, that we must remember today's debate, because all political parties represented in this House gave their approval to this basic principle.

Even though we do not agree completely on the fitures, Mr. Speaker, I consider this quite normal. In the past, when we talked about an old age security pension of $150 a month, people laughed at us. Today, it is even higher and everyone finds this reasonable. In a year or two, the wishes of Senator Croll and the opinions that we have expressed may come true. I hope that the young people of today, who are looking everywhere and do not know what to do with their talents, will by then be able to work, to produce, and maybe also to help eliminate the drug problem which is now overwhelming, and will also check this movement towards the destruction of the Canadian, and especially the French-Canadian, family.

The Acting Speaker (Mr. Boulanger): It being ten o'clock, it is my duty to inform the House that, pursuant to section 11 of Standing Order 58, the proceedings on the motion have expired.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SOCIAL SECURITY—POSSIBILITY OF PRODUCTION OF COST OF LIVING INDEX RELATED TO GOODS AND SERVICES PURCHASED BY PENSIONERS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question for this "late show" period tonight follows rather naturally on the debate that has been

taking place today. All day long we have been discussing the desirability of a guaranteed annual income, and several times during the debate spokesmen on the government side have made the point that the escalation of old age security and other pensions represents an effort on the part of the government and on the part of parliament to keep pension incomes at a certain guaranteed level.

A few days ago, on Wednesday, March 13, I asked the Minister of National Health and Welfare (Mr. Lalonde) whether he would have a discussion with Statistics Canada regarding the possibility of producing a cost of living index that was based on the actual goods and services that senior citizens and retired persons have to purchase. In his reply the minister said that the matter was, to his knowledge, under consideration by Statistics Canada, and he was favourable to that study being continued. But he suggested that there might be a danger if a special cost of living index for older persons were based largely on food and the time came when the food index did not rise quite as high as other indices, or when it might even drop.

I want to say in passing that most retired people would gamble on that. They are not so worried about times when prices drop as they are about what is more normal, times when prices are rising. And, after all, there is a floor under escalations that have been added. Legislation with respect to all escalations is quite clear, namely, that once an escalation has been given it is not withdrawn. In other words, there is no drop in anyone's pension once it has been raised in accordance with the cost of living.

I recognize the problems that exist, but I want to put it to the government—and I see that tonight I am putting it to the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Cafik)—that this question does have to be looked at very seriously. Nothing is ever finally settled in this place, let that be clear. I see the Secretary of State for External Affairs (Mr. Sharp) realizes that and he has decided to go home. Just because we had an escalation, first of 2 per cent and then equal to the actual cost of living increase, that is not the end of the story.

For example, next month, in April, there will be an increase in the basic old age security pension on a quarterly indexing basis which will amount to only $1.95. Many pensioners are writing to us and asking how come that is all they get. I try to explain to them that this is because the quarterly indexing is always at bit delayed, and that what they are getting is an increase based on the amount by which the cost of living in November, December and January went up over what it was last August, September and October. Therefore, in April pensioners get an adjustment in relation to the cost of living which in November was a certain percentage higher than it was in August, and so it is always behind.

Therefore, I submit that some improvement must be made. There are a number of ways of improving the situation. One is to have an index that does relate to the things that pensioners have to buy. Another is to do some guessing. Statistics Canada can be as good at that as in telling us what has happened in the past, and there could be estimates of how the cost of living is likely to go in the next three months. Or better still, there could be provided a new base that is higher—one of the troubles with todays

escalation is that it is on a basic pension which is too low—or there could be found another index based, for example, on the increase in the gross national product or on the wages or salary standard, and so on.

I am one of those who voted with both hands for the cost of living index. It was so much better than the 2 per cent arrangement. I am one of those who voted with both hands for it to be on a quarterly basis. But, Mr. Speaker, let me say to the Parliamentary Secretary to the Minister of National Health and Welfare that it is not the last word. He likes to stand up and announce all these things that were done, but he will find that when he gets on to the hustings one of these days before too long the people will say to him that it really does not reflect the situation and that something better must be done.

I think that whatever else was agreed upon today, there was agreement that there need to be guarantees of income maintenance. The government likes to think it has guaranteed senior citizens a certain level of pension and has guaranteed that that level would keep up with the actual cost of living. Mr. Speaker, it does not. You can tell me statistically or in strict percentage terms, that it does, but in fact it does not. I hope that if the method I have proposed has some flaws in it, the parliamentary secretary has some other answer to this problem which has to be faced, namely, keeping pensions up with what it actually costs retired persons to live.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I listened with a great deal of interest to the comments of the hon. member for Winnipeg North Centre (Mr. Knowles). We all appreciate the concern he has for the problems of senior citizens. I was delighted to hear him affirm something which I certainly affirm, namely, great support for the measures that have been brought forward in this country in an effort to keep the income of senior citizens at a level equal to the cost of living.

It is quite true that the incremental increases which are now made on a quarterly basis deal retroactively with a problem that occurred earlier, and if one were to adopt the kind of approach the hon. member is referring to in this debate, namely, to change the incremental increase on the basis of increases in the cost of food, one would not correct that problem. I know the hon. member realizes that. Nor would this correct the problem of being a couple or three months behind in the increment, no matter what base you used as the basis of increases in the GNP or increases in the wage index or the food index.

Dealing more specifically with this question, I would point out to the hon. member that at this point in time the bureau of statistics is conducting a thorough food expenditure survey in 14 major cities across Canada. For the first time, data on the place of purchase is being obtained. This type of information, plus an idea of what products are purchased, is essential in determining buying patterns for a particular wage group. These data, plus the total budget survey to be taken in early 1975 in the same major centres, will provide a more detailed picture of the expenditure patterns of special groups such as the elderly. As a result, these data will also be used in a further examination to determine the necessity and validity of constructing price indices for special groups of consumers.

[Mr. Knowles (Winnipeg North Centre).]

The Minister of National Health and Welfare (Mr. Lalonde) has indicated that he is interested in the results of the work done by Statistics Canada. I assure the hon. member that when those results are brought forward and we see what the consequences are in relation to specialized groups in this country, further consideration will be given to that kind of question.

• (2210)

HEALTH—REQUEST FOR ASSURANCE MEDICAL RESEARCH FUNDS WILL NOT BE REDUCED

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, when I asked the minister in the House the other day a question regarding the reason for cuts in research, I was concerned because research is the cornerstone of disease prevention. Canada's real beginning in medical research was in 1921 when Banting and Best, Collip and MacLeod discovered insulin at Toronto University. Thousands of diabetics doomed to early death can now live a useful life and play their part in society. One of them was a well known Toronto specialist who made a great contribution in the treatment of diabetes.

Collip then discovered the hormones of the parathyroid gland, the placenta and the pituitary gland. Minot and Murphy at about the same time were working at the University of Chicago and they discovered that liver extract would cure pernicious anaemia so that patients could live and carry on their work. Then came the discovery of the sulfas and the antibiotics as a result of those discoveries and the economy of this country has been strengthened. Before the advent of preventive medicine founded on research of one type or another, the common cause of death was infectious diseases particularly from birth to age 45. So successful has preventive medicine been that the common cause of death now is accidental in that age group.

It is rather annoying to see research funds cut from the expected 15 per cent to 5 per cent. Even at 10 per cent we might have saved face, but hardly so when we look at other government spending, such as on Information Canada which could better be replaced by the news media. I am stressing this because there is a lack of awareness on the part of Canadians regarding the need and value of our research. Otherwise, the government would not have dared to cut back on this vital research. Yet I think of the towns, the villages and the cities across Canada, with their cancer societies raising close to a quarter of all the funds that are used in research and the clarion call they sound in making people aware of this dreaded illness. All of us owe those societies a deep debt of gratitude. Now we have the sadness of having to turn back because of lack of funds any qualified man who wants to do research.

Just about one-fifth of all deaths in Canada today are due to cancer, yet we are hovering on the verge of a breakthrough; and those cancer deaths occur in people from infancy to old age. So seriously has the United States regarded this disease and its destructive forces that they increased their funds for cancer research alone by 25 per cent while we cut back our funds. About 50 per cent of all the deaths in Canada are due to cardio-vascular disease and about 80,000 people die of it annually.

We cannot afford this cutback. The Americans have increased their spending on research into the causes of cardiovascular disease by close to half a million dollars. They are finding out what is killing their citizens. Cardiovascular disease, the lipids, all have to be studied in people from their infancy. High levels of cholesterol are being discovered in children. All this needs more research. But for every dollar spent on research, a measure of prevention must be reached in the treatment of sickness. If there ever was a penny wise and pound foolish method, the Minister of National Health and Welfare has found it. Its costs may be met tomorrow in more preventable deaths and sickness.

I would ask the minister to take another look at this problem. He has the highest-spending department in the government. Its increased expenditures ran to millions of dollars last year. I ask him to go back to basic essentials in the prevention of illness and increase these funds by at least 15 per cent. Surely a Canadian life needs as much protection as an American one, and this year the Americans are making a 15 per cent increase.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, roughly a week ago the Standing Committee on Health, Welfare and Social Affairs, when it was dealing with the estimates, had before it Dr. Malcolm Brown who is the president of the Medical Research Council. All parties were there to participate in the discussion of their particular budgets. Anyone who was there would certainly agree that Dr. Brown explained the situation in relation to the Medical Research Council, their work and their budget, quite adequately. I could not detect the slightest suggestion by the president of MRC that they were in fact inadequately funded so that they would not be able to do the kind of work that they are expected to do in research for the people of this country.

I think I should make a couple of other points if I may at this time, Mr. Speaker. The amount of money spent on medical research is not all spent by the Medical Research Council. Quite clearly, within the federal sphere alone the total budget for medical research is in excess of $100 million annually, yet the budget of the Medical Research Council itself is just in excess of $41 million. There is a great deal more being done than is being done just by the Medical Research Council. A second point I want to make is that Dr. Brown indicated that our contribution as Canadians, in terms of expanding medical knowledge in the world, was certainly very high considering our population and our budget. In fact, it was somewhere in the neighbourhood of a 5 per cent annual contribution toward the world's accumulation of medical knowledge.

I am sure that past discoveries referred to by the hon. member for Simcoe North (Mr. Rynard) cannot always be related directly to federal expenditures in specific instances. At times, discoveries that are made are not related at all to the kind of money spent. Governments are not the only groups which provide funds. Private contributions are made and I think these ought to be encouraged.

There was a suggestion by the hon. member that not enough is being spent on cancer research. I wish to point out to him that the federal government itself has absolutely no jurisdiction to determine what kind of projects are funded by MRC. This is their decision and their decision alone: it is according to the priorities established by that independent body. I think Dr. Brown dealt quite adequately with that question before the committee.

Motion agreed to and the House adjourned at 10.20 p.m.

HOUSE OF COMMONS

Wednesday, March 20, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

GRAIN

MOVEMENT OF WHEAT—ACTION TO PREVENT STRIKE BY SEAFARERS' UNION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, under the provisions of Standing Order 43 I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That this House demands that the government take effective action to ensure that the threatened general strike by the International Seafarers' Union shall be prevented from taking place, otherwise, as stated by Charles Gibbings, Commissioner of the Wheat Board, there will be far-reaching detrimental and disastrous consequences to Canada's international wheat trading relationships and loss to the Canadian farmer.

Some hon. Members: Hear, hear!

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

[*English*]

Mr. Diefenbaker: Again the Liberal members are against it.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—STUDY OF PRODUCERS' DIFFICULTIES BEFORE NEW POLICY ANNOUNCED—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity concerning the milk industry and the problems facing milk producers.

Therefore I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the House consider without delay all the problems facing milk producers because of the considerable increase in production costs and the alarming reduction in milk production, and that recommendations be made to remedy this situation before the announcement of the milk policy for the coming year is made.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

[*English*]

URBAN AFFAIRS

SUGGESTED EXEMPTION OF MUNICIPAL BOARDS AND COMMISSIONS FROM SALES TAX—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I rise pursuant to the terms of Standing Order 43 to request leave of the House to move a motion regarding the difficulties municipalities are having in paying their way. In view of tax exemptions granted to provincial departments and institutions I ask leave to move:

That the government be requested to consider exempting municipal boards and commissions from federal sales tax on materials required for capital works.

The motion is seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds).

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

National Building Code

● (1410)

[*Translation*]

AGRICULTURE

SUBSIDY TO BEEF PRODUCERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

In view of the fact that the government admits that the prices paid to meat producers are too low at the present time and that it will give a 7 cents a pound subsidy to the producers to compensate for the low price of beef, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the Minister of Agriculture reconsider the subsidy given by his department so that this subsidy may be granted in such a way as to benefit the producers, contrary to the present one which is much more profitable for the dealers than for the producers, and that this may be done in the same manner as the program once implemented for pork producers, in other words, that the government subsidy go directly to the beef producers.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

* * *

[*English*]

URBAN AFFAIRS

NATIONAL BUILDING CODE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, namely, the many incidents throughout the world of fatal fires in high-rise buildings and the recent collapse of the overhang at the Winnipeg Post Office. I would move, therefore, seconded by the hon. member for Portage (Mr. Masniuk):

That the National Building Code be referred to the Standing Committee on Urban Affairs with instructions to review and update this code.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

[Mr. Speaker.]

[*Translation*]

SOCIAL SECURITY

RECONCILING OF COST ESTIMATES FOR IMPLEMENTATION OF GUARANTEED INCOME—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss an important motion.

Since the Minister of Labour (Mr. Munro), when he was Minister of National Health and Welfare, stated that a guaranteed annual income scheme would cost $1.9 billion and that the Senate committee on poverty estimated that it would cost $900 million a year, while yesterday the Minister of National Health and Welfare (Mr. Lalonde) said that it would cost some $25 billion to set up such a scheme, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That a committee of the House be asked to study, check and correct the miscalculations whose results give a difference of $25 billion between those of the former Minister of National Health and Welfare and those of the present minister.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

TRADE

TABLING OF ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table of the House in both official languages a document entitled "The Arrangement Regarding International Trade in Textiles".

* * *

CANADA STUDENT LOANS ACT

AMENDMENT TO WIDEN CATEGORY OF PERSONS ENTITLED TO LOANS

On the order: Introduction of Bills:

March 14, 1974—Mr. Reynolds—Bill intituled: "An Act to amend the Canada Student Loans Act."

Mr. Speaker: I should like to refer now to the first of the three bills which stands in the name of the hon. member for Burnaby-Richmond-Delta. When the proposed measure to amend the Canada Student Loans Act, standing in the name of the hon. member, was called yesterday the hon. member provided some assistance to the Chair in relation to the procedural acceptability of the bill. The Chair is very grateful to the hon. member for his assistance and

since then very careful consideration has been given to his submissions. But even after taking into account the hon. member's argument it does seem to the Chair that the bill proposed by him would create a new and a direct charge upon the treasury.

The hon. member suggests that additional money will not be required since sufficient funds have been provided for this purpose in the statutory vote created pursuant to the parent act in 1964. That, of course, is a very interesting argument which gave me cause to ponder and reflect. It is after, as I said, serious reflection that I saw the flaw in the hon. member's argument.

The Chair appreciates that the recommendation which accompanied the parent statute in 1964 was stated in general terms and might not have precluded on that occasion an amendment such as that which is now being proposed. I do not think it can be contended that a financial proposal that might have been permissible as an amendment in 1964 when the original parent statute was introduced can now be put forward under the provisions of a recommendation which had effect only in relation to the initial student loans plan.

I refer the hon. member to section one of Standing Order 62, which says:

> This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session—

These are the operative words.

> —in which such vote, resolution, address or bill is proposed.

In other words, it is suggested that the recommendation which was presented to the House in 1964 had force and effect for that session only. It would not be procedurally acceptable to suggest that the same recommendation could be valid a decade later for a proposition which would create a new and what I consider to be a direct and a substantial charge on the treasury. It is suggested that even the government would be required to bring in another recommendation to support a bill such as that which is now being proposed by the hon. member.

As I said yesterday, the bill is an interesting one which the House might want to look at and study. If the hon. member could find a way to obtain the required recommendation from His Excellency, I would be pleased on his behalf to put the motion to the House.

Order discharged and bill withdrawn.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

LIP FUNDS ALLOCATED TO FEDERAL CONSTITUENCIES REPRESENTED BY MEMBERS OF CABINET, 1972-73

Question No. 46—Mr. Cossitt:

1. What was the total amount of LIP funds allocated in 1972-73 to constituencies represented in the House of Commons by members of the cabinet?

2. (a) What is the name of each constituency that is represented by a cabinet minister (b) what is the name of the minister (c) what was the specific total of LIP funds allocated to each such constituency in 1972-73?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. $26,879,633.

2. (a) Constituency	(b) Cabinet Minister	(c) Total funds allocated $
Mount Royal, Québec	The Right Hon. P. E. Trudeau	615,102
Eglington, Ontario	The Hon. Mitchell Sharp	298,838
Cape Breton Highlands-Canso, Nova Scotia	The Hon. Allan J. MacEachen	2,823,987
Westmount, Québec	The Hon. C. M. Drury	2,646,315
Langelier, Québec	The Hon. Jean Marchand	1,710,761
Ottawa-Carleton	The Hon. John N. Turner	205,883
Saint-Maurice, Québec	The Hon. Jean Chrétien	1,782,918
Rosedale, Ontario	The Hon. Donald S. Macdonald	1,669,213
Hamilton East, Ontario	The Hon. John C. Munro	74,924
Hochelaga, Montréal,	The Hon. Gérard Pelletier	689,437
Capilano, British Columbia	The Hon. Jack Davis	834,767
Restigouche, New Brunswick	The Hon. Jean-Eudes Dubé	2,134,637
Vancouver Centre, British Columbia	The Hon. Ron Basford	3,028,982
Burin-Burgeo, Newfoundland	The Hon. Donald C. Jamieson	1,483,020
Port Arthur, Ontario	The Hon. Robert Andras	629,067
Winnipeg South, Manitoba	The Hon. James Richardson	801,342
Saskatoon-Humboldt, Saskatchewan	The Hon. Otto E. Lang	776,040
Windsor West, Ontario	The Hon. Herb Gray	486,621
York-Scarborough, Ontario	The Hon. Robert Stanbury	115,551
Dollard, Québec	The Hon. Jean-Pierre Goyer	688,751
Etobicoke, Ontario	The Hon. Alastair Gillespie	51,246
Parkdale, Ontario	The Hon. Stanley Haidasz	176,719
Essex-Windsor, Ontario	The Hon. E. F. Whelan	186,054
Notre-Dame-de-Grâce, Québec	The Hon. Warren Allmand	331,379
Peterborough, Ontario	The Hon. James Hugh Faulkner	417,162
Papineau, Québec	The Hon. André Ouellet	278,437
Cardigan, Prince Edward Island	The Hon. Daniel J. MacDonald	713,900
Outremont, Québec	The Hon. Marc Lalonde	971,643
Ahuntsic, Québec	The Hon. Jeanne Sauvé	256,937

LIP FUNDS ALLOCATED TO CONSTITUENCIES REPRESENTED BY LIBERAL AND CONSERVATIVE MEMBERS DURING 1972-73

Question No. 47—Mr. Cossitt:

What was the total amount of LIP funds allocated in 1972-73 to constituencies represented in the House of Commons by (a) members

of the Liberal party (b) members of the Progressive Conservative party?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): (a) Liberal party, $106,692,373; (b) Progressive Conservative Party, $59,552,779.

MILK SUBSIDY

Question No. 51—**Mr. Cossitt:**

1. With reference to the answer to Question No. 3,361 of the First Session of the 29th Parliament that the earliest date that milk powder prices could be expected to be reduced and contained was October 15, 1973, for what reason have Dominion Stores Limited in Brockville, Ontario been selling such milk at 25 cents per quart package for some months which is considerably more than was being charged by the same company on September 4, 1973 when the subsidy was announced?

2. Is the government planning to take some action in regard to the fact that Dominion Stores Limited in Brockville, Ontario have raised the cost of powdered milk instead of either decreasing or reducing the price level as a result of the government subsidy and, if so, what will be the nature of this action and when will it be taken?

Hon. E. F. Whelan (Minister of Agriculture): It is assumed the quart package in question is a four-ounce package of Carnation Instant Skim Milk Powder. Prior to October 15, 1973 there was no control on skim milk powder prices at the retail level. On October 15, 1973 Carnation Company Limited reduced its wholesale price by four cents on a four-ounce package of skim milk in accordance with the agreement and this reduction was to be passed on to the consumer. The four-ounce package which was selling for 25 cents prior to October 15, 1973 in Dominion Stores, Brockville, Ontario is selling at 21 cents.

CLOSURE OF POST OFFICES IN SASKATCHEWAN

Question No. 72—**Mr. Cossitt:**

1. How many post offices have been closed by the government in the Province of Saskatchewan since April 20, 1968?

2. In what municipality and in what electoral district are each of these post offices located?

Hon. André Ouellet (Postmaster General): 1. April 1968—September 1970, 199; October 1970—present, 8. The program to close small post offices ended in September 1970. Closings since that date are due to factors such as inauguration letter carrier or rural delivery to meet public request, amalgamation of communities, dwindling populations, inability to recruit replacement on death or retirement of former postmaster, etc.

2. Meadow Lake, 42; Regina-Lake Centre, 9; Mackenzie, 27; Prince Albert, 30; Saskatoon-Biggar, 13; Battleford-Kindersley, 27; Moose Jaw, 6; Yorkton-Melville, 17; Saskatoon-Humboldt, 16; Regina East, 5; Assiniboia, 2; Swift Current-Maple Creek, 3; Qu'Appelle-Moose Mountain, 10. It is not possible without going to a very large expense, to include the municipalities of each closed post office. Many former offices are located in unincorporated areas and do not belong to any municipality. Many townships have been amalgamated with other municipalities and now come under one government.

[Mr. Cossitt.]

FOREIGN LOANS CANCELLED SINCE 1964

Question No. 135—**Mr. Laprise:**

For each year since 1964, how many loans to foreign countries were cancelled, what are the names of each country involved and what was the amount in each case?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): None.

DELAY OF CANADIAN TRANSPORT COMMISSION IN SENDING COPIES OF ORDERS TO MEMBERS OF PARLIAMENT

Question No. 219—**Mr. Forrestall:**

1. Is it the policy of the Canadian Transport Commission to delay sending Members of Parliament information copies of orders made by that Commission respecting decisions falling within their respective federal electoral constituencies for a period of 21 days after such decisions and orders have been made?

2. Is this practice supported by regulations of the Commission and, if so, on whose authority were such regulations made and on what date were such regulations formulated?

3. Is this practice supported by the responsible minister?

4. If such is not a matter of policy, for what reason was decision number R-17686, being ordered November 21, 1973 not sent to the responsible Member of Parliament until December 13, 1973?

5. With respect to order R-17686, on what dates were (a) the province of Nova Scotia (b) the city of Dartmouth (c) the Canadian National Railways (d) Maritime Telegraph and Telephone Company Ltd. (e) the Nova Scotia Power Corporation informed officially of the decision taken on November 21, 1973, by the responsible Commission?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: 1, 2 and 3. When information copies of orders of the Canadian Transport Commission are forwarded to Members of Parliament, as a courtesy, they are dispatched at the same time as to interested parties.

4 and 5. In the normal course, orders of the Railway Transport Committee of the Commission are dispatched within three days to a week of the date of the order. In this instance certain administrative processes led to a considerable delay, which is regretted, between the date of the order and its dispatch. Copies of Order No. R-17686, dated November 21, 1973, were mailed to all nine parties, including those specified by the Member of Parliament, and the Member of Parliament, on December 13, 1973.

OPENING OF CITIZENS INQUIRY CENTRE IN PRINCE EDWARD ISLAND BY INFORMATION CANADA

Question No. 321—**Mr. MacLean:**

Is Information Canada opening a Citizens Inquiry Centre in Prince Edward Island and, if so (a) where will it be located (b) how many full-time employees will be employed (c) will a bookstore be operated in conjunction with this new Citizens Inquiry Centre?

Hon. John C. Munro (Minister of Labour): In so far as Information Canada is concerned, the answers are as follows: Yes. (a) Charlottetown; (b) three; (c) no.

APPLICATIONS FOR PENSIONS BY VETERANS OR VETERANS' WIDOWS—1973

Question No. 429—**Mr. Orlikow:**

1. For each month of 1973 (a) how many applications from veterans or veteran's widows for pensions under the Pension Act were received (b) how many such applications were dealt with and settled?

2. How many applications did the Canadian Pension Commission have on file on January 1, 1973 and January 1, 1974?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1.

	(a)	(b)
January	624	822
February	786	982
March	732	827
April	675	679
May	882	559
June	643	706
July	743	866
August	672	811
September	806	1194
October	697	1062
November	749	1007
December	722	961

2. January 1, 1973: 9,591; January 1, 1974: 7,846.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF SUPPLY AND SERVICES ORDERS PLACED IN BRITISH COLUMBIA

Question No. 35—**Mr. Mather:**

Of the over $1 billion worth of goods and services purchased by the Department of Supply and Services each year, what is the amount, in dollars, represented by orders placed in British Columbia?

Return tabled.

DEPARTMENT OF COMMUNICATIONS RESEARCH EXPENDITURES

Question No. 271—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of Communications on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

DEPARTMENT OF INDIAN AFFAIRS RESEARCH EXPENDITURES

Question No. 277—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-1974 to date by the Department of Indian Affairs and Northern Development on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

CORPORATIONS IN RECEIPT OF GRANTS UNDER VARIOUS GOVERNMENT PROGRAMS

Question No. 312—**Mr.Broadbent:**

1. What were the names of corporations or organizations receiving grants or subsidies under each of the following programs during each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 and 1973-74 to date (a) Atlantic Region Freight Assistance Act (b) Grants in aid of transportation research (CTC) (c) Maritime Freight Rates Act (d) National Transportation Act (e) Operating Subsidies to Regional Air Carriers (f) Railway Grade Crossing Fund (g) Steamship Subventions for Coastal Services?

2. In each case, what were the amounts of money involved?

3. What are the objectives of the above programs?

4. Have either the Department of Transport or the Canadian Transport Commission conducted any evaluative study of the above programs and, if so, what was the date of the latest report?

Return tabled.

CIVILIAN AND DEFENCE CONTRACTS AWARDED BY DEPARTMENT OF SUPPLY AND SERVICES

Question No. 318—**Mr. Grier:**

What was the total value of civilian and defence contracts awarded by the Department of Supply and Services under DSS contracts and contracts delegated to DSS by other government departments or agencies for goods and services in each of the fiscal years 1968-69 to 1973-74 to date to the following corporations: Ayre & Sons Ltd.; Avis Transport of Canada Ltd.; ABCO Ltd.; Bata Ltd.; British Columbia Telephone Ltd.; Bell-Northern Research Ltd.; British Columbia Packers Ltd.; Bombardier Ltd.; Canron Ltd.; CAE Industries Ltd.; La Compagnie des Ciments du St-Laurent; Consumers Glass Ltd.; Crang & Ostiguy Inc.; Canada Steamship Lines Ltd.; Casgrain & Co. Ltd.; Cleyn & Tinker Ltd.; Delta Electric Ltd.; Douglas Aircraft Company of Canada Ltd.; Dome Petroleum Ltd.; FPE-Pioneer Electric Ltd.; GSW Ltd.; Geosearch Consultants Ltd.; Hoffman-La Roche Ltd.; Les Industries Aird Ltée; ITL Industries Ltd.; Interprovincial Steel & Pipe Corp. Ltd.; Kenting Ltd.; Maislin Transport Ltd.; Mannix Co. Ltd.; Noranda Mines Ltd.; P.S. Ross & Partners; Pacific Truck and Trailer Ltd.; Spiroll Corp. Ltd.; Standard Brands Ltd.; Trimac Ltd.; Western Construction & Engineering Research Ltd.; Wright Engineers Ltd.?

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

EFFECTIVENESS OF POWERS OF MINISTER AND COMMISSION IN DISCHARGING RESPONSIBILITIES—DEVELOPMENT OF NEW NATIONAL POLICY—USE OF CONSULTANTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Transport, who recently indicated in the House that he had been given certain responsibilities with regard to transportation but not the powers to carry out those responsibilities. I would ask him whether it is his position that too much authority has been delegated by statute or placed in the hands of the Canadian Transport Commission, or is it his position that neither he nor the CTC has the necessary powers to discharge the responsibilities imposed?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have already indicated that, at the present time, the relationship between the authority granted the department or the minister, and the responsibilities assigned to them is absolutely disproportionate. Now, I should like to see some balance between them. I have made no distinction between the authority of the CTC and that of the department or that of the other government agencies and I say—and of this I am convinced, and I believe I mentioned it to the press yesterday—there is no one in Canada today to control all fields of transport because no one is authorized to do so. I am not asking that the Minister of Transport or the department really have the authority to manage all transport operations in Canada: this has no bearing on the matter. But, to my mind, the department does not have the authority required to set up an efficient policy.

● (1420)

[*English*]

Mr. Stanfield: The minister has described the present transportation policy, to use his words or a translation of his words, as a mess and has indicated it will take some six months to place an appropriate policy before cabinet to be considered. Who is developing this new policy? Is it being developed within the minister's department or by consultants?

Mr. Marchand (Langelier): No, Mr. Speaker. It is at this moment being developed within the ministry. Following that, it will have to be submitted to cabinet. Will we have to submit some aspects to consultants after that? We will have to wait and see whether we are faced with that problem. For the time being, it is being developed inside the ministry and inside the cabinet.

Mr. Stanfield: May I then ask the minister why a United States consulting firm has been retained to make a study of the revenue position of the railways?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the government, the railway companies and even the committee of western transport ministers have retained the services of many consultant firms.

Mr. Lawrence: Why don't you appoint some of them to that committee?

Mr. Marchand (Langelier): Am I out of order?

I say that many consultant firms are now hired. Some are even hired by the western transport committee to look into various matters, like roadbeds—

[*English*]

—roadbeds in English, and on cost pricing and all these things. We have consultants who have been hired. However, on the new policy, to which I admit I was referring quite vaguely, nothing has been referred to any firm of consultants.

* * *

FINANCE

POSSIBILITY OF GOVERNMENT ACTION IN LIGHT OF LEVEL OF CORPORATE PROFITS

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Minister of Finance. It arises out of a report in this morning's paper indicating that corporate profits showed an enormous increase in the fourth quarter of 1973 for various sectors of the economy. Of particular relevance is the sector of food processing which had an increase of 81.1 per cent in the fourth quarter of 1973 compared with the fourth quarter of 1972, obviously as a result of unjustifiable higher prices. Is the government considering doing something with regard to these inordinately excessive profits being made by the corporations of this country, particularly in view of the Prime Minister's statement that the government would not permit profiteering and gouging of the consumer?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that was a full question. I hope the Chair will allow me a full answer. As I said to the Canadian Labour Congress and yesterday to the Canadian Association of Railway Workers, the profit situation is a healthy one and we have reached a stage now where I can say to the business community that in my view not every cost increase need be passed along by way of a price increase. A good deal of the profit picture is reflected in higher inventory valuation. What I am particularly interested in seeing is that a good proportion of the profits has been translated and reflected in increased capital expenditures for plant and equipment which will be translated into new jobs, particularly in the manufacturing and processing industries. Insofar as profits are reflected in new investment, I would think that is a positive result. Insofar as profits are reflected in an untoward payment of dividends, that would not be as favourably received by me or by the House. The Prime Minister and I have both said that if there is evidence that profits reflect an unconscionable taking advantage of a shortage of supply or the economic situation, the government will take action.

Mr. Lewis: I did not ask the Minister of Finance to give me the answer I would hear from spokesmen for the

corporations. I asked what the government would do to stop this profiteering. What other evidence does he require that it is taking place in view of the range of profit increases?

Mr. Turner (Ottawa-Carleton): I look to the ultimate purpose of the economy and the ultimate purpose of profits to be the expanding of the industrial base of the country. That is happening, and the ultimate purpose is jobs. I think the hon. member and I can agree on that.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—FORMULATION OF NEW POLICY IN LIGHT OF PRODUCERS' REQUESTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Agriculture.

Since a member refused a few moments ago the unanimous consent required by Standing Order 43 for the debate of the serious problem of dairy producers, may I ask the minister whether he is aware of the representations of industrial milk producers and, if so, will he give them serious consideration in preparing the dairy production policy for the next year, beginning April 1, 1974?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): I answered similar questions put to me by one or two hon. members along the lines that I had to make an announcement in connection with dairy policy by April 1. And we shall do this. We are taking all representations into consideration.

[*Translation*]

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

[*English*]

Mr. Speaker: Is the hon. member for York South rising on a point of order?

Mr. Lewis: No, Mr. Speaker. It is not unusual for a first questioner to ask two supplementary questions rather than one, and I hope to get that opportunity.

Mr. Speaker: Perhaps the hon. member was a little slow in rising for the second supplementary.

[*Translation*]

The hon. member will excuse me.

In the meantime, I had recognized the hon. member for Bellechasse; maybe we can go on with the supplementaries later on, if in fact there are supplementaries to the first question, the one asked by the hon. Leader of the Official Opposition.

Of course, we will afterwards come back to the hon. member for York South, but for now the hon. member for Bellechasse has the floor.

Mr. Lambert (Bellechasse): Thank you, Mr. Speaker.

In view of the importance of the matter and the concern prevailing at this time along industrial milk producers, could the minister tell us, whether the application for a net reimbursement of the increased $2 for a hundred pounds, and I emphasize on the word "net", to the producers will be included in the government dairy policy for the year 1974-75?

[*English*]

Mr. Whelan: I said it was being considered.

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TRANSPORT

ACTION TO SEPARATE AIR CANADA AND CANADIAN NATIONAL RAILWAYS—PROVISION OF COST INFORMATION BY RAILWAYS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a supplementary to the Minister of Transport. In light of the minister's straightforward statement in the House on March 7 about his lack of a transport policy, I should like to ask him whether he is now prepared to bring forward legislation in connection with the Railway Act and the National Transportation Act, and measures to separate Air Canada from the CNR, which his predecessor promised two years ago, stating at that time he would do it soon?

Hon. Jean Marchand (Minister of Transport): If the purpose of the question is to find out whether we intend to split Air Canada from Canadian National, I can tell the hon. member that no decision has yet been made.

Mr. MacKay: With respect, that was part of the purpose of the question. Can the minister inform the House whether he or his colleagues have received any cost disclosure information from the railways respecting the freight rate charges on the 28 commodities specified at the Western Economic Opportunities Conference in July, 1973, and, if not, when this information may be forthcoming?

Mr. Marchand (Langelier): I think it is about to be received. I do not recall the exact number of cost disclosures we asked of the CTC but we expect to receive them very shortly. The western ministers are quite satisfied with the delays that we know are necessary in these cases.

● (1430)

Mr. MacKay: Would the minister indicate, in view of the fact he said that he has little control over the operations of the railways and in view of the fact that the railways are so heavily subsidized, particularly the CNR, whether he would consider, in order to assert his authority, reducing or holding back some of the estimates until he has received the cost disclosure information so long withheld by the railways?

Mr. Marchand (Langelier): Mr. Speaker, I think that for the time being we have a satisfactory arrangement with both railways concerning cost disclosure. That is not an understatement; I think it is true. We are ready to go further if the present arrangement does not work. As far as the use of subsidies is concerned, I know this is a very

strong weapon but I am not ready for the time being to put any of the railways into bankruptcy in order to obtain information.

MOVEMENT OF GRAIN—USE OF CONTROLLERS AT VANCOUVER AND THUNDER BAY

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct my supplementary question to the minister in charge of the Canadian Wheat Board. Would he advise the House what has happened to the two people whom he had acting, I believe, in the role of controller, one at Vancouver and one at Thunder Bay? Are they still acting and, if so, what are they doing? If they are not, why not?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there has been a change of personnel in one case, but the functions are being continued.

Mr. Speaker: The Chair will see the hon. member for Vegreville for a supplementary and will then recognize the hon. member for York South for his supplementary.

SHORT-TERM MEASURES TO ALLEVIATE PROBLEM OF GRAIN TRANSPORTATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my supplementary is directed to the Minister of Transport. Having regard to the fact that the government has no transportation policy but one is in the process of being developed, during which time this country is suffering severe dislocation as a result of disruption of transportation, may I ask the minister when we can expect an announcement regarding short-term measures to alleviate the problem of grain transportation? The other day he indicated the appointment of a co-ordinator or transportation supervisor with respect to the movement of lumber and other commodities, having regard to the fact that railway loadings are 3.5 per cent less this year than the previous year.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think what the hon. member is asking is what will be the long-term policy, not the short-term policy. As far as grain is concerned, I think the hon. member should put his question to the Minister of Justice who is in charge of the Wheat Board. As far as lumber is concerned—

Mr. Mazankowski: Is he going to be the new transport minister?

[*Translation*]

Mr. Speaker: Order, please. May I interrupt the hon. minister? It seems to me that we are getting involved in a debate rather than in a period of questions and answers. I shall recognize the hon. member for York South on a supplementary.

[Mr. Marchand (Langelier).]

[*English*]

CONSUMER AFFAIRS

INCREASE IN PROFITS OF FOOD PROCESSING INDUSTRY—ACTION TO ROLL BACK PRICE OF BEEF

Mr. David Lewis (York South): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs which also arises out of the fact that the food processing industry has had such a huge increase in profits, and out of the fact that, despite a steady drop in the price of beef to the producer since about the middle of last month, there has not been a decrease in the price of beef to the consumer. May I ask the minister whether the government is considering necessary action to force a rollback in the price of beef to the consumer? If anything is obvious, it is that the consumer of beef is being gouged at the present time.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, various alternatives are constantly being studied. We have previously informed the House of the special study of beef price margins now under way and which will be completed in approximately two to three weeks. The results of the study will, I think, form a useful basis for the consideration of action by the government.

* * *

AGRICULTURE

SUBSIDY TO BEEF PRODUCERS—REQUEST FOR RECONSIDERATION IN CONSULTATION WITH INDUSTRY REPRESENTATIVES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, may I direct my question to the Minister of Agriculture. In light of the chaotic conditions in cattle marketing and in the whole cattle industry, is the minister prepared to sit down this evening or tomorrow morning with industry representatives and reconsider the whole question of the beef subsidy?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are in constant touch with the industry. The latest report as of ten minutes ago seems to indicate that the whole buying program is levelling out and doing what we hoped it would do.

Some hon. Members: Oh, oh!

Mr. Whelan: I am not saying it is perfect, but it has certainly moved a long way in the right direction today. As the day goes on the market trend seems to be to do what it should be doing, which is marketing beef according to the procedure they have followed in the past. If hon. members have any sound advice they can give—

Some hon. Members: Resign!

Mr. Whelan: —we are ready to accept it. Up till now there have been some suggestions which we are following up. Otherwise, if there are no further suggestions for improving the position, what else can we do?

Mr. Speaker: The hon. member for Crowfoot will be recognized for a supplementary and then the hon. member for Saint-Hyacinthe.

Mr. Horner (Crowfoot): Mr. Speaker, I am worried about the popularity of the Minister of Agriculture, and for this reason I will direct a supplementary question to him. Would he consider spending the $3 million a week that he is now spending in an attempt to save the livestock industry on the price of feed grain, which would not interfere with the marketing of the end product?

Mr. Whelan: Mr. Speaker, we have certainly taken a look at this suggestion, which has been made not only by the hon. member for Crowfoot but by other people in western Canada. I have met many different people in western Canada who are concerned with the beef feeding industry, and if the hon. member can find any really unanimous point of view on this subject he is better than I am, because I certainly cannot.

* * *

[*Translation*]

HARBOURS

PORT OF MONTREAL—MEASURES TO ENSURE SHIPMENT OF GRAIN NOT INTERRUPTED BY LABOUR DISPUTE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Minister of Transport.

Although he stated openly that his own problems and those of his department were plenty, could he say what immediate measures he and his colleagues of the cabinet are considering to make sure that the port of Montreal will not be condemned to a complete shut-off or continued jeopardy because of the present situation which makes it less and less profitable?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the hon. member for Saint-Hyacinthe wrapped it up in the over-all policy of the department. The question is much simpler. What is the situation at the port of Montreal? An extremely serious one. We are trying to solve it. Dock workers in Montreal harbour are numerous considering modern technology. It must be determined how to solve this problem. We have not yet found the solution and if the member for Saint-Hyacinthe has any suggestions, I shall listen to them.

Mr. Wagner: I wish to direct a supplementary question to the Minister of Transport.

I suggest that the government resign and give way to a responsible party capable of governing the country.

Having answered the Postmaster General, rather the Minister of Transport who perhaps will become the Postmaster General, I ask him the following question: in the event of a strike or a work slowdown by the Seafarers' International Union, does the minister intend to set up an inquiry or use some means to find alternative transportation for continued shipment of grain to Quebec?

Mr. Marchand (Langelier): Mr. Speaker, as I have spent 23 years of my life in the labour world, the hon. member for Saint-Hyacinthe can rest assured that I will surely not reveal in advance the means of breaking down the will of the workers so as to maintain conditions they cannot accept.

* * *

● (1440)

[*English*]

TRANSPORT

STATUTORY DUTY OF RAILWAYS TO CARRY WHEAT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in light of the minister's statement that the railways are not interested in buying hopper cars to transport wheat because they lose money, has he pointed out to the railway companies that they have a mandatory and statutory duty cast upon them under the provisions of the Railway Act to provide suitable accommodation and, with due care and diligence, receive carry and deliver all such traffic? Has the minister pointed that out to the railway companies and is he prepared to carry out his constitutional responsibility to see that the law is observed?

Some hon. Members: Hear, hear!

Hon. Jean Marchand (Minister of Transport): Everyone may applaud, Mr. Speaker, but there is something lacking in the law which you will see if you read it, and I am sure the hon. member has done so. They have a legal statutory obligation to move grain, but there is no time limit.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): That is not provided in the law. There is no time limit. There is nothing to compel them to buy up to date equipment with which to really move the grain in due course and in due time. That is why we have this problem in respect of hopper cars and why we as a government must solve it when normally the railway companies should probably do it.

Mr. Baldwin: On a point of order—

Mr. Speaker: Order, please. I understand the hon. member is rising on a point of order, but I will have to seek the co-operation of hon. members again as we will soon be running short of time.

Mr. Baldwin: Mr. Speaker, my point of order is very simple. The minister did not respond when I read to him the statement of the law that the railways must carry grain with due diligence and without delay, which constitutes a statutory obligation on them.

Mr. Marchand (Langelier): This is probably a legal point and, fortunately or unfortunately, I am not a lawyer, but in reference to the phrase "with all diligence and without delay" they can always say that is what they are doing with the equipment they have.

Mr. Baldwin: They have to buy more equipment.

An hon. Member: You are the minister, tell them.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Perhaps the legal argument might be adjourned for the time being or referred to the Committee on Justice and Legal Affairs.

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[*Later:*]

AGRICULTURE

SUBSIDY TO BEEF PRODUCERS—SUGGESTED MODIFICATION—SUBSTITUTION OF DIRECT SUPPORT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of the minister's reply to a previous question that beef marketing had settled down—this is largely because commission agents and producers are being bludgeoned into accepting a pretty unworkable policy—I should like to ask him whether he will modify his policy at least to the extent of paying the premium on all cattle that fall into the A and B grades so the premium can be paid directly to the producers with the result that they will at least get the benefit of this program?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this is being considered. There are people from different parts of Canada in the offices of the Department of Agriculture discussing this with officials of my department at the present time to determine how workable and practical this may be. There are other suggestions being made by farm organizations and members of parliament which are also being considered at the present time.

Mr. Gleave: In view of the suggestions the minister has received on the subject, will he consider introducing a policy of putting a direct support feature into this program so the producers will have a support level under this program at this point in time which they really do not have now?

Mr. Whelan: Mr. Speaker, perhaps I should have said in my reply to the previous question that I disagree to some extent with what the hon. member said about prices. I checked the prices at Toronto today and found that they are much better than they were yesterday, and they are doing what we wanted them to do.

Mr. Horner (Crowfoot): Is that for the U.S. cattle they were buying?

Mr. Whelan: The hon. member for Crowfoot has interjected a question about U.S. cattle. They have dropped in price on the Omaha market, on which the price is based. If we are to have some kind of a system that has nothing to do with the North American market, and that is perhaps what we should have, then I should like to know if that is what the hon. member would support.

Mr. Speaker: The Chair will recognize the hon. member for Middlesex on a supplementary question, to be followed by the hon. member for Simcoe North.

[Mr. Baldwin.]

• (1450)

SUBSIDY TO BEEF PRODUCERS—DETERMINATION OF GRADE OF CATTLE KILLED IN SMALL ONTARIO PLANTS

Mr. William C. Frank (Middlesex): Mr. Speaker, I have a question in respect of another area of concern on which hopefully the Minister of Agriculture can shed some light. In light of the fact there are a great number of fat cattle killed in small killing plants in Ontario where there is only a provincial inspector, and consequently there are no federal grading slips, I should like to know how the grade of the cattle killed will be determined for the retroactive period?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we know approximately—I should say quite accurately—how many cattle are slaughtered in a week in Canada and what the grades are and if we take seven cents a pound for A-1 and A-2 and average that out at say five cents a pound—

Mr. Speaker: Order, please. I would suggest to the hon. minister and the hon. member that this is argument.

* * *

HEALTH

REJECTION OF QUALIFIED CANADIAN APPLICANTS BY MEDICAL SCHOOLS

Mr. P. B. Rynard (Simcoe North): I should like to direct my question to the Minister of National Health and Welfare, Mr. Speaker. In view of the fact that large numbers of qualified applicants are being rejected by our medical schools, I should like to know why over the last ten years more doctors from outside Canada have been admitted to practise here than ever before instead of training more doctors in our own schools, and when is this discrimination going to stop?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like to thank the hon. member for raising this question. Indeed, this very matter was raised at the last conference of ministers of health in February. As the hon. member knows, the matter of schools of medicine and medical practice in each province is a matter for provincial governments to determine. However, I have opened discussions on this subject with my colleagues and I hope there will be general agreement on a policy by the federal and provincial governments in the next few months after further meetings on the subject. I share the hon. member's concern about providing Canadian students with opportunities in this field.

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INDUSTRY

AUTOMOBILES—CHRYSLER CORPORATION PRICE POLICY

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is in respect of transportation and is directed to the Minister of Industry, Trade and Commerce. Has he discussed with the Chrysler Corporation of Canada their review of

prices and, if so, can he report to the House the results of these conversations?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the last advice I received on this matter, perhaps about an hour ago, was that the Canadian company is considering its position but has made no decision.

Mr. Hellyer: Mr. Speaker, my question to the minister was not in respect of what advice he had received from the company by some means but whether he had been in direct contact with the company in order to make known the views of parliament, and to express the opinion put forward in the House today by the Minister of Finance, that some of these huge profits should be converted into price reductions and that under no circumstances will an increase in the price of cars be welcome at this time.

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, officials of my department were in touch with officials of the company today who were reminded of their undertaking in respect of narrowing the differential. They indicated that they are quite prepared to live up to that undertaking.

* * *

[*Translation*]

ST. LAWRENCE SEAWAY

ACTION TO IMPROVE FINANCIAL SITUATION OF CORPORATION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is addressed to the Minister of Transport.

Could the minister indicate whether he has received suggestions from the St. Lawrence Seaway Authority in order to solve their financing problem and does he intend before long to take measures to correct the poor financial position of the authority?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there are two different problems in the question that has been asked: one concerning the labour relations between the Seafarers' International Union and the Seaway Authority, and one concerning the financing problem of the Seaway Authority. I do not know which one of these questions I should answer, but I will certainly not handle both at the same time.

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

I think my question is very simple. The new president, Mr. Normandeau, made suggestions concerning the financing of the St. Lawrence Seaway. We know it already has a debt that is almost beyond reimbursement and I ask the minister what steps he will take to settle the matter, and whether he will take into account the recommendations the Carter report made a few years ago?

Mr. Marchand (Langelier): Mr. Speaker, the only answer I can give is the following: settlement of the collective agreement between the Seafarers' International Union of Canada and the St. Lawrence Seaway has absolutely nothing to do with the latter's financing. With regard to financing the seaway, it is a question of deciding whether we are willing to increase the rates to allow it to become more profitable. We are now studying precisely that question.

* * *

[*English*]

LABOUR RELATIONS

DISPUTE BETWEEN SEAFARERS' UNION AND LAKE CARRIERS ASSOCIATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Labour. In light of the fact that we all want to see goods moving through the St. Lawrence Seaway as they should, is the minister now in a position to tell us whether he has made an accurate assessment of the Seafarers' Union dispute at this time, in the knowledge of the disastrous error he made last Friday when he said he is hopeful and optimistic that no strike will occur?

Hon. John C. Munro (Minister of Labour): Without in any way indicating acquiescence in the gross misinterpretation by the hon. member of what I said last Friday, I would indicate that yes, I have made an accurate assessment of the situation to the best of my ability.

Mr. Alexander: In the light of that answer, has the minister now taken upon himself to introduce special initiatives in order that the parties can return to the bargaining table? Has he done at least that?

Mr. Munro (Hamilton East): I do not know exactly what the hon. member means by "special initiatives" but if he is asking whether we are doing everything we possibly can to assist the parties in resolving this dispute, the answer is yes.

Mr. Speaker: I will recognize the hon. member for Hamilton West on a second supplementary, but we have reached the point in the question period when I have to appeal to hon. members to limit their supplementaries because there is not much more than five minutes left before I will have to call orders of the day.

Mr. Alexander: In light of the fact the minister has indicated that he feels his personal intervention in this matter would be a little premature, can he now advise whether he is waiting until April 1 before he takes a personal interest in this matter or whether he is at least getting on the telephone to discuss these matters with the parties involved?

Mr. Munro (Hamilton East): I do not know from what information the hon. member draws his miscellaneous conclusions but they are totally erroneous, and that should concern him.

Oral Questions

AIRPORTS

PICKERING—SUGGESTED HALTING OF DESIGN, PLANNING AND LAND ACQUISITION IN LIGHT OF DEVELOPMENTS IN INTERCITY TRAVEL

Mr. John Harney (Scarborough West): Mr. Speaker, my question is for the Minister of Transport. In light of the minister's statement yesterday to the effect that planning for major airports at Montreal and Toronto did not take into consideration modern developments in intercity travel, does the minister intend to use whatever power he has, if any, to call a halt now to design, planning and land acquisition with regard to the ill conceived airport at Pickering?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, during a very straightforward discussion with the press yesterday, I talked about all the things that could have happened, including what could have happened if we had known 20 years ago what we know today. I think that the newspaperman reported this discussion very honestly, but to conclude that this was a judgment made upon the case of Pickering and Mirabel is to go too far.

Mr. Harney: Mr. Speaker, I should like to put a supplementary to the reluctant minister.

[*English*]

I return to the point just made by the minister. In view of the fact that the hearing which is now going on will not take into consideration the knowledge the minister claims was there and was evident before the decision to build the airport was taken, will the minister please undertake to review the whole decision to proceed with the vast expenditures involved this year in the planning and design of the airport?

Mr. Marchand (Langelier): Mr. Speaker, the only thing I said, and I think that everybody in the House will accept it as being reasonable, is that if we had known, say 10 or 15 years ago or maybe even five years ago, that it would be possible to have trains running as fast as 200 or 300 miles an hour, maybe we would have made a decision that would have been different from the one we made. That is all.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. There are only a few minutes left before the end of the question period. Perhaps the Chair might be allowed to recognize the right hon. member for Prince Albert.

* * *

LABOUR RELATIONS

DISPUTE BETWEEN SEAFARERS' UNION AND LAKE CARRIERS ASSOCIATION—REQUEST FOR INTERVENTION BY MINISTER OF TRANSPORT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am always impressed by the Minister of Transport who spoke of trains travelling 300 miles an hour. It indicates how far ahead he is of actualities.

Some hon. Members: Hear, hear!

[Mr. Munro (Hamilton East).]

Mr. Diefenbaker: He is thinking of Air Canada. In view of the fact that no action at all has been taken by the pusillanimous Minister of Labour, will the minister look into this situation regarding the Seafarers' Union dispute and do what he can, because all over western Canada people such as the chief commissioner of the Canadian Wheat Board and others are saying that failure to act will constitute a terrible blow to this country. Apparently nothing is being done. I appeal to him because he gets things done.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I regret to hear the hon. member say that because some things are being done, and I must admit publicly that the Minister of Labour is not only my colleague but one of my good friends and I have a lot of confidence in his capacity and ability.

Mr. Diefenbaker: You are alone.

* * *

SPORTS

INTENTION TO BAN TORONTO FRANCHISE IN WORLD FOOTBALL LEAGUE—SCOPE OF POSSIBLE LEGISLATION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of further statements by the minister over the weekend concerning his intention to ban a Toronto franchise in the World Football League and the additional indication by the Minister of Justice in committee last night that his officials are drafting legislation together with the minister's officials for presentation to cabinet tomorrow, would the minister indicate whether such legislation will apply to sports other than football and will it involve restrictions on the televising of American sporting events by Canadian stations?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all I would like to say that, contrary to the party opposite, this government and this party are not speaking with one voice in the west, one in the east, one in Toronto and one in Montreal.

Some hon. Members: Oh, oh!

An hon. Member: Your party has no national character.

Mr. Lalonde: What I said over the weekend, while the hon. member was otherwise busy I have no doubt, was that a recommendation will be made to my colleagues in cabinet, and that when a decision is made in cabinet it will be announced in due course. As the hon. member knows, the content of legislation is a subject that is made known when the bill is put forward for first reading. As to the latter part of his question about television, I do not intend to look into this matter at this time.

An hon. Member: Oh, oh!

Mr. Atkey: May I ask the minister whether, in the preparation of the legislation, he has been consulting with the Minister of Consumer and Corporate Affairs to clear up the inconsistency between his policy of protecting the

monopoly of the Canadian Football League and the other minister's policy of promoting competition?

Mr. Lalonde: I think that the question itself indicates the very type of confusion that exists in the minds of members of the opposition on the whole issue of Canadian ownership and protection of a Canadian identity in this country.

Some hon. Members: Hear, hear!

* * *

REGIONAL ECONOMIC EXPANSION

PROGRESS OF PROGRAM TO DECENTRALIZE STAFF—ADVERTISING OF POSITIONS—NUMBER OF TRANSFERS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In light of the advertisements appearing in newspapers across Canada this week for more than 25 senior staff positions in his department in various places across the country, can the minister indicate to the House whether in effect this means that transfers of people from the Ottawa area to the various regions and provincial capitals have been completed or whether that is to be continued, and the number of transfers that have already taken place?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am not altogether certain I can answer in detail. I can say that the first phase of offering various positions to those who are eligible for such offers within the Public Service has been completed. This has now enabled us to carry out the second stage which is to have people from the regions in the various offices who know the conditions in those particular areas. Whether a full assessment of the total complement of people in each area has been completed by the various public service organizations is something I would have to check and give the hon. member a written reply.

● (1500)

Mr. MacDonald (Egmont): Mr. Speaker, in view of the fact that to date there has been very little public information except for these advertisements, about the nature of the staffing arrangements in the various regions and provincial capitals and the extent of the transfers that have taken place, would the minister agree to make an early statement in the House or to make this information generally available so that we could be aware of the situation?

Mr. Jamieson: Of course, the situation changes daily, but to the extent that it exists at this moment in time I would be glad to make information on it available to the hon. member or to any other hon. member who wishes to see it.

AIRPORTS

PICKERING—REQUEST THAT MINISTER HAVE REPRESENTATIONS MADE TO BOARD OF INQUIRY IN LIGHT OF NEW EVIDENCE

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Transport. In light of the statements made yesterday by the minister to the Canadian Railway Labour Association, the answers he has given today to the hon. member for Scarborough West respecting the Pickering airport proposal, and the fact that the independent inquiry that was set up is entitled to look into new evidence and the minister has indicated there is new evidence, would the minister be prepared to make representations through his department to the inquiry board respecting the kind of questions he alluded to yesterday and today?

Hon. Jean Marchand (Minister of Transport): In all honesty, Mr. Speaker, I think I cannot give an answer different from the one I gave a few minutes ago. I was just talking about things that could happen and did not happen, and I do not want to interfere in any way with the inquiry that is taking place.

Mr. Speaker: The hon. member for Greenwood.

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

Mr. Speaker: I apologize to the hon. member for Greenwood; the hon. member for Yukon rises on a question of privilege.

Mr. Nielsen: Mr. Speaker, I raised this question of privilege in the previous session in connection with the propriety of parliamentary secretaries, who are part of the ministry, taking up the time of the House by asking questions. Those hon. gentlemen, sir, have telephone lines open to them. Ministers' offices are open to them. Further, these hon. gentlemen are paid an extra $4,000 a year to answer questions, not to ask them and spuriously take up the limited time of the question period which is supposed to be used by the opposition for eliciting information from the government.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member has raised this question previously. I have looked at past precedents and have found nothing in them, and certainly I cannot find anything in the rule book, which says that because parliamentary secretaries receive an additional emolument they are not allowed to ask questions. Neither can I agree with the hon. gentleman's proposition that the question period is reserved for the opposition.

Some hon. Members: Hear, hear!

Mr. Speaker: Again, that is not so. If the hon. member would study the precedents and *Hansard* over past years he would see that that proposition is not supported by the precedents. However, I have tried to be as conciliatory as I can in this regard by, let us say, not encouraging parliamentary secretaries to ask questions because I really feel that to some extent there is a difficulty in that the Chair

often wonders whether a parliamentary secretary is rising to ask or to answer a question. That very fact is sufficient to pose a question in my mind. But as long as that privilege is not abused, perhaps we should not insist on a strict interpretation of the rule, whatever the rule may be. I would hope we might be able to continue on the basis of what we have done in the past.

My feeling is that, although the hon. member's point may be well taken to some extent, there must be some leeway allowed the Chair in the interpretation of the rules. That is what I have been trying to do, to take into account the point of view expressed by the hon. member, which has some validity, and the point of view which I take it the parliamentary secretary is now going to expound on the question of privilege.

Mr. Cafik: Mr. Speaker, I would like to thank you very much for the remarks you have made in respect of this matter. However, the point I wish to make is that in my capacity as a member of parliament I have constituents to represent. I intend to represent them and I will not be intimidated by anybody on either side of the House in the fulfilment of that responsibility.

Some hon. Members: Hear, hear!

Mr. Cafik: The second point I would like to make is that I wish members in the official opposition would at least try to be consistent on this matter because, as others in the House realize, there are members on that side who think that parliamentary secretaries should not answer questions and others who think we should not ask them. The simple fact is that the rules allow us to do both, in my humble submission, provided a parliamentary secretary does not address a question to his own minister, which I think would indeed be an abuse of the House. I think that I am as entitled as anybody else to ask questions of anybody in a position of responsibility in the House of Commons, on any subject, in the interests of the people I represent, and I shall continue to do so.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Yukon has made his point and the hon. member for Ontario has responded to the question of privilege. I am not sure whether we should allow the matter to develop into a debate. I recognize the validity of, and the interest in, the points of view expressed by both the hon. member for Ontario and the hon. member for Yukon. I am not sure that there is an easy solution, but I shall try to take both aspects of the matter into account.

Mr. Nielsen: Mr. Speaker, on a personal matter arising out of your remarks from the chair, I am sure if the Chair had heard me correctly you would have appreciated the fact that I was not advancing—and the record will show I was not advancing—the proposition that the question period should be reserved for the opposition. I said that the purpose of the question period was to enable the opposition, primarily—

Some hon. Members: Oh, oh!

[Mr. Speaker.]

Mr. Nielsen: —but including all members, to make inquiries of the ministry. Certainly at no time did I say the question period should be reserved for the opposition.

Mr. Speaker: Order, please. We have now lost ten minutes or so on these questions or alleged questions of privilege. I point out that the hon. member for Brandon-Souris was waiting yesterday for a chance to ask a question. Before the first question of privilege was raised, the hon. member for Greenwood had the floor, so perhaps he might be allowed to ask his question. Then, with consent, the Chair will see the hon. member for Brandon-Souris who, as I say, was cut off at the end of the question period yesterday.

* * *

EXTERNAL AFFAIRS

GOVERNMENT POSITION ON MAINTAINING MEMBERSHIP IN INTERNATIONAL CONTROL COMMISSION, LAOS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is of a non-controversial nature. It is addressed to the Secretary of State for External Affairs who has not had too many questions today. Has the Canadian government threatened or considered withdrawing Canada's contribution to the International Control Commission in Laos unless certain conditions are met and, if that is the situation, what are those conditions?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have not threatened to withdraw from the International Control Commission in Laos. What we have done is to advise the Laotian government, which we did on March 13, as well as the co-chairmen of the 1962 Geneva conference and all other parties, that we intend to move the adjournment *sine die* of the Laos commission at a meeting which we have requested for that purpose.

* * *

POST OFFICE

WAGE DIFFERENTIAL BETWEEN POSTAL CODERS AND POSTAL SORTERS—REQUEST FOR GOVERNMENT ACTION TO END CODE BOYCOTT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General, but he seems to have disappeared. In view of the fact that it has taken me as long to ask this question as it takes the Postmaster General's department to deliver the mail, perhaps I could address it to the President of the Treasury Board who is responsible for maintaining happy relationships in the Public Service. Now that the Union of Postal Employees has launched a postal code boycott in protest against the difference in wage rates between the postal coders and the postal sorters, would the President of the Treasury Board review this policy with a view to establishing equity between these two job classifications before Canada's unhappy postal service suffers complete collapse?

● (1510)

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I will be glad to discuss this question with the Postmaster General.

GOVERNMENT ORDERS

[*English*]

PUBLIC ACCOUNTS

REFERENCE TO STANDING COMMITTEE

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That the public accounts for the years ending March 31, 1972, and March 31, 1973, and the reports of the Auditor General thereon, together with the evidence adduced by the committee while considering the said matters in previous sessions of parliament, be referred to the Standing Committee on Public Accounts.

Motion agreed to.

* * *

HOUSE OF COMMONS

REFERENCE OF SYSTEM OF READJUSTING REPRESENTATION TO COMMITTEE ON PRIVILEGES AND ELECTIONS

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That the system of readjusting representation in the House of Commons, including the method of determining the number of members for each province established by section 51 of the British North America Act, be referred to the Standing Committee on Privileges and Elections.

Motion agreed to.

* * *

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITIONS, ADMINISTRATION AND OFFENCES

The House resumed, from Thursday, March 14, consideration of the motion of Mr. Gray that Bill C-7, to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, on resuming the debate on Bill C-7 I believe we should first realize that the government is using a rather featherlike approach in this bill. I suggest that the legislation will perhaps hurt competition rather than make it freer and easier in Canada. In a sense, the government is being quite naive in their approach concerning the matter. I suggest that there are four large elements bearing upon competition in Canada any one of which will have greater influence on competition, its restriction or its freedom, than the legislation proposed by the government.

I refer, for example, to the foreign ownership of industry in this country and to the fact that in the international economic report of the President of the United States, tabled in February, 1974, we find there is listed total American investment in this country of $44.1 billion. As we know, Mr. Speaker, there has been an incident in recent weeks affecting part of that investment. MLW-Worthington in Montreal, because they are 52 per cent owned by their parent in the United States have encountered some restriction with respect to a deal they hoped to make with Cuba, because of legislation now in force in the United States.

Mr. Turner (Ottawa-Carleton): What restriction was that?

Mr. Stevens: I understand it is still under review in the United States whether the parent company will be prosecuted if the subsidiary company goes ahead with the deal which they would like to make with the United States.

Mr. Turner (Ottawa-Carleton): With Cuba.

Mr. Stevens: Yes, with Cuba. I mention this because not only is this featherlike legislation but the Canadian government have followed a consistent policy of tolerating foreign investment and have encouraged it at every opportunity through the utilization of government funds to support such investment in Canada.

It is interesting to consider the record of the Export Development Corporation which this government proposes to enlarge further and to expand to a $4 billion organization. I think it is interesting to note that that organization has been oriented by the government so that over 50 per cent of the benefit of their loan goes to foreign-controlled companies in Canada. The minimum loan from that organization is $1 million, and we find that in 1972 the Export Development Corporation made loans on an average of $23.3 million, while the Industrial Development Bank made loans on an average of $45,000. The interest rate in the EDC, effectively, to foreign borrowers was approximately 7 per cent, while Canadian borrowers who turned to the International Development Bank paid 9.8 per cent.

I will demonstrate, Mr. Speaker, that this government does not know whereof they speak when they talk about competition in this country. If it is seriously suggested to the House that somehow this legislation will free competition and, as the Prime Minister has indicated—I am pleased to see he is still with us—that it will even contain inflation in this country, then I say God help this country if this is one of the pillars that the government intends to use to resist or to contain inflation.

With inflation at 9.1 per cent, I think it is time we demanded that the Minister of Finance (Mr. Turner) brought in a budget to show us exactly what he intends in the way of fiscal and monetary measures to contain inflation over the coming months. For the Prime Minister or any of his ministers to suggest that somehow this legislation will help contain inflation is, I strongly suggest to

hon. members, misleading. In fact, it will likely increase rather than lower the cost of goods in this country.

I come back to the broader spectrum, Mr. Speaker, which is: what are the forces in this nation that are working against free competition? I suggest that hon. members should look at the large corporate power units, the large union power units and the large banks in the country. I suggest that any one of those groups has an extremely important role to play when we consider whether there is to be freerer competition in Canada. Take banks, for example. With their assets standing at $55 billion and general loans at $30 billion, perhaps the best role for any person in this country is that of director of one of these banks. Each director of our banks represents assets which on average amount to some $170 million per director. Each director controls loans amounting on average to almost $100 million.

● (1520)

I grant that the Liberal party is heavily indebted to the chartered banks in that it receives substantial campaign funds from them. Nevertheless, the government should not go through the charade of saying that somehow Bill C-7 will provide for greater competition. It should not be allowed to ignore the fact that it is not doing anything substantive to ensure competition with regard to foreign ownership, the large banking interests, the large corporate interests and the large unions in the country. Not only is it extremely unlikely that this bill will increase competition in the country and reduce the inflation rate, but it may damage business in many respects. It will hurt especially smaller businessmen.

When I last spoke on this bill I mentioned a constituent of mine, who, having been subjected to government bureaucracy and red tape, wrote to me in exasperation. I quote as follows part of his letter to me which expresses his concern about government controls:

> I cannot help but speculate on the costs to business and the resultant effect on our profits in carrying out the seemingly endless tasks demanded by various governments. The very same governing bodies who order that we carry out these tasks free of charge unhesitatingly expand their various departments to better carry out their functions of harassment, interruption and annoyance. Let's take a brief look at some of these government imposed workloads: we must keep accurate records for, make accurate deductions for, prepare accurate returns for, provide inspection facilities for, and in certain areas make prompt payments to the following government departments or government controlled agencies: Workman's Compensation Board, provincial income tax, Canada Pension Plan, provincial department of labour, federal sales tax, Dominion Bureau of Statistics, Ministry of Transportation, Minister of National Revenue, federal income tax, unemployment insurance, provincial hospitalization, federal Department of Labour, provincial sales tax, Department of Agriculture, Ministry of the Environment, corporation tax divisions.
>
> These services can only be classified as additional forms of indirect taxation which unfortunately are very real costs to the Canadian business community. I would speculate that the figure runs into multimillions of dollars.

This letter was sent by a relatively small businessman who does on average half a million dollars' worth of business and makes on average about $20,000 per year. He has referred to the type of red tape which frustrates business people more and more, including himself. I suggest that the government should introduce legislation which will deal effectively with the big power blocs of this country. Such action would be more effective in bringing about competition than the present bill, or the setting up of a new commission whether it is called the Restrictive Trade Practices Commission or by any other name.

Surely, if the government intends to subject businessmen to this new type of review and investigation, it should in fairness include in the legislation some provision for providing funds to companies who are being investigated. The money would enable the companies to present a proper case and do the necessary red tape work in connection with any review or investigation which will be undertaken by civil servants who will administer the act. I agree that large corporations can probably live with this type of investigation. I think smaller businessmen deserve protection from the unrelenting efforts of civil servants who often investigate for the sake of investigating.

The bill is alarming in some respects. The provision for giving wide discretionary powers to the commission referred to needs to be questioned. I think every member of the House should question the extremely wide powers to be given to civil servants with regard to investigation. Surely no one suggests that such investigations in the past have always been objective. Personal influence has sometimes been brought to bear by competitors on civil servants to ensure that other competitors are put at a disadvantage in the market place. I think this House ought to move cautiously in dealing with legislation like this and should bear in mind that it is superficial legislation which may do more harm than good.

It should be noted that in our country the inflation rate has reached 9.1 per cent and, according to unofficial predictions, may reach 10 per cent; yet no budget has been introduced. The government has given priority to the bill before us.

Housing starts fell by 36.8 per cent in the last three months compared with the previous three months, yet the Minister of State for Urban Affairs (Mr. Basford) has not brought forward legislation which will ensure a plentiful supply of housing at reasonable prices. I remind hon. members again that since this government took office in 1968, housing in my area has risen in value by 72 per cent. Yet here we are, expected to give precedence to a bill which will do little to help us meet our housing needs.

This bill is to have precedence over legislation dealing with the unemployment insurance fiasco which is costing the nation well over $1 billion in needless pay-outs. This bill is to have precedence over other bills even though the Minister of Industry, Trade and Commerce (Mr. Gillespie) has said flatly that he cannot or will not do anything to establish an industrial strategy in this country. Having said that, he has told us that he will not intervene in any attempt to control commodity prices in this country, even though commodity prices have risen by 25.7 per cent within the past year. We are asked to give precedence to this bill even though the Minister of Transport (Mr. Marchand), on March 7 in this House, virtually threw up his hands, said the entire department is out of control and that there is little he can do. Today he was asked the direct question whether he proposed to bring in any legislative measures to attempt to control the out of control

situation to which he referred, and the minister declined to answer.

● (1530)

Speaking of things out of control, there is also the matter of energy. Not only do we have a government that has failed to make this country self-sufficient as far as transportation of oil is concerned, but we have a minister who last night had to admit that the American officials know more about internal affairs concerning the importation of oil into this country than he or his department. I am referring to the fact that according to the latest economic report from the United States, it is estimated that the cost to this country of foreign imports of oil will be $4 billion in the current year. The Minister of Energy, Mines and Resources (Mr. Macdonald) was not able to furnish that figure to the committee last evening.

To return to Bill C-7 and to deal with clauses in it specifically, I first wish to mention that I believe the wording is too wide in clause 31(2). It gives virtually unlimited discretionary power to the commission to control the distribution system of individual suppliers in most industries in Canada.

I would point out there is no onus placed on the director to be appointed under the act to prove his case beyond a reasonable doubt or even on the balance of probabilities. Surely the director should be expected to be more precise and state the findings on which he bases his decision or judgment. Once an inquiry has been initiated by the director, we must remember that the commission will become its own investigator, judge and jury. When it reaches a decision on a purely subjective basis, on its own appraisal of the facts which it has elicited, there is really no effective court of appeal to which one may refer.

The term "market" is used in Bill C-7 but it is not defined. While we recognize this is the case under existing law, the vagueness of this concept becomes more serious because of the extended scope of the commission's power under the bill. I feel it is not clear whether the term refers to the market area of the complainant, of the supplier or the international market for the article in question.

The term "adversely affected" is used. Surely that is a broad term that virtually anyone could use to show that he could probably sell an article at a profit if he could obtain supplies. He would thus meet the test that it is suggested has to be met in this bill. There is a reference to usual trade terms but unfortunately it is very vague. It is clear that it includes a credit worthiness and willingness to buy in usual quantities, but the term "and otherwise" which appears with the phrase is undefined. I am mentioning these points because I feel that in spite of the fact the legislation has been under review for many months, if not years, it is ineptly drafted and will bring hardship to those now in the business community, especially the smaller businessman.

I have already referred to the costs that will be incurred by businessmen who will have to deal with this commission. I feel it is unfortunate that these costs should be mounted, as I have indicated, mount on mount on the back of the businessman. I would again point out that these costs are inherent in clause 4.1 of the bill. They apply to manufacturers, retailers and customers. They far outweigh any possible benefit to persons who are unable to get supplies. I believe this bill is inconsistent with the aims of a competition policy and will work to the disadvantage of most manufacturers, retailers and consumers. It will not in fact benefit small business people or bring competition into the marketplace of Canada.

I would again emphasize that the type of legislation being contemplated by the minister is really the brainchild of his civil servants. It is their method of handling, or their suggested solution to increase competition in Canada, but they are talking of a field about which they know little. We have had other examples of such new commissions or bureaux being set up by this government. The majority have been most unhappy. Last year, for example, the foreign investment review bill was passed by this House. The foreign investment review board was established as a result of that legislation. Subsequent to the passage of that act I had informal chats with civil servants who were drafting the regulations they hope to issue from time to time concerning the workings of the legislation. It is not an overstatement to say it is shocking to learn what little knowledge those civil servants have in the field they are attempting to regulate. If they were Tories, I would hope they would be a little more capable than the people to whom I am referring.

Some hon. Members: Oh, oh!

Mr. Stevens: Those in this House who are members of the legal profession have undoubtedly noticed that in the bill there is a reference to the solicitor-client privilege that has been assumed to exist in this country for many years. While the amendments to section 20 do not appear to cause a problem, it has been learned from the Department of Justice that they intend to take the position that the privilege attaching to communications between solicitor and client will not be available under this section. If that is so, I feel we must be gravely concerned. Such an intention by the Department of Consumer and Corporate Affairs would be contrary to established legal precedents. It may be that if the government and the House is determined to pass this type of legislation, we should at least insert in the bill something similar to section 103(2) of the United Kingdom fair trading act of 1973.

● (1540)

That provision reads as follows:

Nothing in this section shall be taken to compel the disclosure by a barrister, advocate or solicitor of any privileged communication made by or to him in that capacity, or the production by him of any document containing any such communication.

I feel we must consider the right to cross-examine statisticians, civil servants and others who may appear before any commission to deal with this subject. It is of the greatest importance that all persons giving evidence of such a nature be subjected to cross-examination, and I would again urge that a provision in terms similar to those in section 45(3)(2) should be included in this legislation.

I know the minister treats this bill lightly because in his own brief remarks he said we should get on with it, pass it at second reading, get it into committee and then dispose of it quickly. At least, that was his hope. I would suggest otherwise. If the government and the House are seriously

concerned about the absence of competition in this country, they should step back and take a look at the entire economic competitive fibre in this country. There are some hard decisions to be made if we wish a free and totally open marketplace in Canada. The suggestion that another commission should be set up to deal with largely superficial matters will not ensure a completely free market.

In many ways this is an unfortunate example of the government's tendency to gloss over an issue rather than deal with it effectively. This is not the first time they have come up with a solution which in their hearts they realize is ineffective—something like Mrs. Plumptre's board which we all know has been totally powerless to deal with inflation.

The time has come to ask ourselves whether the banking industry in Canada should not be reviewed again, whether there should not be another Porter commission inquiring into banking, which has grown from $20 billion to $80 billion. Should we not ask ourselves whether the banks are ensuring a truly competitive marketplace in Canada as far as their lending activities are concerned? Surely we should take steps to make certain that this industry is competitive in the sense that a businessman with proper security and a legitimate need gets the credit necessary to enable him to compete, regardless of his size.

Mr. Deputy Speaker: Order, please. I am sorry, but I must interrupt the hon. member because his time has expired. He may conclude his remarks if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Stevens: With over 90 per cent of our banking business controlled by five institutions, perhaps we should look into the establishment of a commission to ascertain whether the industry is serving the needs of the business community effectively, rather than deal with superficial matters such as are touched in the bill before us. I suggest, also, that there should be a thorough investigation into the activities of foreign-owned corporations in this country to make sure they are adding to, not detracting from, the competitive nature of our business community. The large corporate blocs in our country should also be reviewed, as should the large union power blocs. I am sorry to say it, but I believe Bill C-7 is an ineffective measure, one which does not deal with the real need in this country, which is the enhancement of a truly competitive business community.

Mr. Ross Whicher (Bruce): Mr. Speaker, one of the strong points of our democratic form of government is the fact that we allow all sorts of debates to take place, not only in the House of Commons and in the various legislatures but in the newspapers, on radio, television, and so on. But one of the weak points, at least in my estimation, is the length of time this process is apt to take. Just how long should we allow debate to take place before a decision is reached? Surely at some point along the line debate has gone on long enough. Discussion of a bill such as that we are considering this afternoon should result, without too much delay, in the bill being sent to committee where it can be examined in detail and either chucked out or brought back for final reading in order that the people of Canada might have the opportunity of enjoying the benefits of the legislation.

I listened with great interest, as I always do, to the hon. member for York-Simcoe (Mr. Stevens). I am constantly amazed by the variety of viewpoints held by members in the official opposition. The hon. member has just told us that in his opinion the bill before us would, in the long run, hurt competition. This is certainly not what has been said by other members of his party. I wonder if it is fair to ask whether members of the official opposition are not just holding the bill up for purely political reasons.

Some hon. Members: Hear, hear!

Mr. Whicher: If they will study the views which have been expressed in newspapers, on television and elsewhere across Canada they will find that the vast majority of media commentators have accepted the bill. Some have expressed criticism on the ground that it does not go far enough, but the majority have stated that in their opinion it is a good bill and it should go forward; and they believed it should go forward, not a month from now or five months from now or five years from now but immediately. Indeed, some members of the official opposition have expressed a similar view. Members belonging to the NDP, too.

One of the leading members of the official opposition, the hon. member for St. John's East (Mr. McGrath), has been quoted in the Ottawa *Journal* as saying the bill proposed worth-while measures of consumer protection. He said it offered a lot more than he expected. He called it an important piece of legislation. And he has not disclaimed this quotation in the course of the debate here. That is not what the hon. member for York-Simcoe said. All of us watched on television the meeting the Conservatives held in the Chateau Laurier. We admired the unity which was evident in that great meeting. It is unfortunate they do not show the same unanimity in the caucus meetings they hold every Wednesday morning, because it seems to me that one member says one thing and another says something quite different; they do not know where they are going. As a result, the Canadian people know they are holding up certain laws which ought to be passed if for no other reason than the need to get on to considering other and more important laws. For example, my hon. friend from York-Simcoe suggested inflation, and who am I to say he is not correct that inflation is a major problem in Canada today? But before we can tackle inflation and the many other government bills that are ready to come before this parliament, we have to get this measure out of the way.

● (1550)

Mr. Stevens: Why?

Mr. Whicher: My hon. friend from York-Simcoe asks why. One reason is that the hon. member for St. John's East has said that it is a good bill. So not only does the government say it is a good bill, but members of the hon. member's own party opposite say it is. I know the press says it is a good bill, that television says it is a good bill and so does radio, yet the government is up against members like the hon. member opposite.

The chief whip of the opposition party on "Question Period" broadcast on Sunday, March 17, had this to say, and I ask hon. members, particularly of the opposition, to listen:

> We are still waiting for legislation and we have been here for two weeks now. We are still waiting for legislation to deal with inflation and the immediate problems thereto and there has been nothing come forward at all. We are on the combines law which has been talked about for years. It is going to take months to get through that combines law.

I say shame. Surely the people of Canada are fed up with this attitude that has become so evident in this House of Commons for the last year or so of deliberately holding up legislation, legislation not only that the government and people of Canada want but in many instances which many members of the chief opposition party want. Yet that is the party that holds up the democratic process, which in my opinion, and I might add in the opinion of many other people, is unfortunate.

Mr. Stevens: Mr. Speaker—

Mr. Deputy Speaker: Is the hon. member rising on a question of privilege or on a point of order?

Mr. Stevens: A point of order, Mr. Speaker. I was wondering whether the hon. member would accept a question.

Mr. Deputy Speaker: That is not a point of order.

Mr. Whicher: Mr. Speaker, it does not matter whether it is or not; I am willing to accept a question from my hon. friend at any time, as long as he accepts my answer.

Mr. Stevens: I was wondering whether the hon. member would not agree that the act has two main divisions, one dealing with consumer orientation and the other dealing with the establishment of the Restrictive Trade Practices Commission, and that we have attempted to make it clear that we are not in disagreement with the consumer portion of the bill, whereas we do have misgivings about the corporate side. If the minister would like to divide the bill or somehow deal with it differently, then we can facilitate passage of the consumer provisions without delay.

Mr. Whicher: Mr. Speaker, in answer to the question of my hon. friend, if one may call it that, I would be sympathetic with his views and would suggest that perhaps he might have a question there. But he emphasizes the problem faced by the government. He said that if the bill were divided he would be pleased, as far as he is concerned, to let the bill go through. But that is not what the hon. member for St. John's East, a member on his own side of the House, has said. He did not say that half the bill was worth while; he said that all the bill was worth while, that it gave a lot more than he expected and that it was an important piece of legislation. Let hon. members opposite hold a caucus so they can get together and find out exactly what they want. Then this government, of which I am a backbencher, can bring forward other important pieces of legislation that will benefit all Canadians, not just members of the Liberal Party or opposition parties but the taxpayers of Canada who, after all, are the most important people as far as this country is concerned.

One of the things that my hon. friend did not mention is this. When I had the honour of being a member of the Ontario legislature, for years this question came up periodically: Can Canada sell trucks to China, or to Russia, or to some country that the United States regarded as an enemy, without getting permission from the United States? That was a very touchy question. Certainly I as a Canadian could never accept such a state of affairs. I have always felt that we should be able to sell manufactured goods, raw materials or any type of goods we wished to sell to foreign countries with whom we were friendly, whenever we wanted to do so, provided a satisfactory deal could be arranged. But in the past such deals have been stopped.

As a matter of fact, only a week or ten days ago there were many questions from members on the opposite side of the House about a proposed sale to Cuba of railway locomotives, and it appeared we had almost to bow to our United States friends and ask the United States government for permission to sell these locomotives to Cuba even though they were made right here in Canada. As far as I am concerned, this is a ridiculous situation. This bill will make it absolutely clear that we as Canadians can sell to any country in the world we wish to. In this regard I have a clipping from the Ottawa *Journal* reporting that this train deal has gone through. I am sure that all of us, not necessarily as parliamentarians but as Canadians, are proud of this. The report is headed "$14 million train deal: Cuba signs rail pact". It is datelined Journal Wire Services, Miami, Florida, and reads as follows:

> Cuba has signed a $14-million contract for 30 railway locomotives with a Canadian firm controlled largely by a U.S. company.
>
> Havana radio, monitored in Miami, said today the pact was signed in the Cuban capital by MLW-Worthington Ltd. of Montreal and the Cuban railway enterprise.
>
> Fifty-two per cent of the Canadian company is controlled by Studebaker-Worthington Inc. of Harrison, N.J.
>
> The contract had been held up because of U.S. laws prohibiting U.S. firms from doing business with Cuba. But the directors of MLW-Worthington voted earlier this month to pursue the negotiations despite U.S. state department objections.
>
> The sales by U.S. corporate subsidiaries in Canada are likely to stir long-stifled desires of some U.S. companies to do business with Cuba.
>
> More trade would be seen as a step toward eventual resumption of diplomatic relations with Havana.
>
> The embargo on trade with Cuba was proclaimed by President John F. Kennedy on Feb. 3, 1962, "in light of the subversive offensive of Sino-Soviet communism with which the government of Cuba is publicly aligned."
>
> Under the trading with the enemy act, according to officials, the embargo applies to foreign subsidiaries of U.S. corporations as well as to the parent companies.

What this means is simply this. If the United States had had its way, it would have stopped trade with Cuba as far as Canada is concerned. Without this law, Mr. Speaker, in every instance where a trade agreement was reached or a deal of this sort, as we like to call it, was made, the government would have had to make a special plea to get the deal through. Bill C-7 will make it absolutely legal from now on for us to trade with whomever we wish, and indeed the bill should have been passed many years ago in my opinion. Surely this is something that is good for Canada, yet it is not mentioned by my hon. friends opposite.

As a matter of fact, there are many other things in the bill that they have not mentioned. I would be the first to admit that perhaps this is not a perfect bill by any means. My hon. friend believes that the only thing that is perfect is the seat in which he is sitting, but let me tell him that there is no such thing as perfection around here. I am not perfect, and with respect I say to my hon. friend that he is not either. Neither is the government. We have not said that. We are doing the best we can, but we want to get this bill to the committee so members of all parties in this House and the people of Canada can examine it. We do not appreciate the eternal frustration we have had to endure as a result of speaker after speaker from the opposition saying the bill is no good and it should be examined for a few more years.

● (1600)

I am sure you understand, Mr. Speaker, that this matter has been before the Canadian parliament and the people for years. If anything is said about this matter at all, perhaps it should be that it should have been passed by this House years ago. Perhaps it should have been passed when our Tory friends were in power. They are great ones to tell us what we should do now, but we should remember that they did not do a darned thing about this matter when they had the opportunity.

Some hon. Members: Hear, hear!

Mr. Whicher: There are many provisions of this bill that will be of assistance to the Canadian consumer. I have heard members of my own party and members of other parties in the House, as well as the media on television and over the radio, say there has been misleading advertising in Canada. While this bill is not perfect, and I am the first to admit it, at least it does something to protect the consumer when he buys goods in any store.

Part of the bill deals with warranties and guarantees. I agree with the hon. member for York-Simcoe who pointed out that there is nothing wrong, as a whole, with Canadian business but that unfortunately there is a bad apple in every barrel whether it be in the political or business sense. This country has been built by hardworking people through a system of free enterprise. As a result, we have one of the best systems in the world, with the best standard of living. So I do not want to be too critical of business or offer carte blanche criticism but I do suggest that the odd business takes advantage of the consumer, who will be offered some protection under this measure.

So far as warranties and guarantees are concerned, this measure will make absolutely sure that goods cannot be offered until they have been subjected to adequate tests. We have heard talk of pyramid selling. I agree that these things may be of little consequence in the over-all picture, but they are very important to the individual Canadian. We have also heard talk of referral selling. In this regard, someone may buy a washing machine, and if he gives a list of 25 or 100 prospective purchasers of washing machines he gets the machine cheaper, or for nothing, whatever the case might be. That practice will be banned under this bill.

How many times have we read advertisements of cars for sale saying that the price has been cut by $100, but on going to the agency involved people have found that only two cars were offered for sale at the reduced price, with the remainder being sold at the original price? That practice will be stopped by this measure, and I am sure my Conservative friends will admit that this will at least offer some protection to individuals who are in the market for a car; they will be sure of the opportunity of buying such a car at the advertised price.

During the last few months we have heard a lot about the practice of double-ticketing, particularly by grocery chains. An article may have sold for 22 cents, but when the housewife goes to purchase it the price has been jacked up to 27 cents, or whatever it might be. From now on, according to the law, when there are two prices on an item, the customer will have the right to purchase the item at the lowest price.

There are many other things covered by this bill, including services. The hon. member for York-Simcoe referred to the fact that there are many lawyers in this House. In my experience in politics I have found this to be necessary because those of us engaged in politics are making and changing laws. However, the fact is that lawyers have shown a tendency to submit to inflationary pressures by charging increased fees for their services. Let me point out that it is certainly not unknown in various areas of Ontario that every lawyer will charge the same fee for the same service. I should like to know whether it is fair that the legal profession should do this. The fact is that lawyers have been able to get away with it, but they will not be able to get away with it in future because services are included in this measure.

Lawyers will no longer be able to get together to create artificial costs for their services. After the passage of this measure, lawyers will not be able to follow this practice, just as glass companies and other companies will not be able to fix prices as many of them have in the past. The fact is that they will be subject to this Canadian law and can be brought into court if they do not live up to it.

It is my opinion that the fines being levied against companies which have been found guilty of collusion in fixing prices contrary to the Combines Investigation Act have been far too low. I hope the fines in respect of such practices in respect of personal services will be substantial because services represent an important part of our economy. I am sure services will be considered within the terms of this measure when it becomes law.

I have no intention of continuing much longer as I think that everything that might be said in respect of this bill has been said not only in this House but outside through the media. I think the bill should be thoroughly examined. Without in any way trying to cut off the debate—I have not the power to do so if I wanted to—I would urge hon. members to send the bill to the committee after a reasonable period of time, say a couple of days, where it can be examined thoroughly.

Before I sit down I should state that I hope members of the official opposition will hold a caucus not only in respect of this bill but all others that come before the House in order that they can decide where they stand, rather than waste the time of parliament and the Canadian people bickering among themselves through not knowing on which side they really stand.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have listened to a great part of this debate and have read the rest of it, and frankly I am beginning to wonder what the fuss is all about. Among the major protagonists we find the Minister of Consumer and Corporate Affairs (Mr. Gray), whom I regard as the typical Canadian response to Ralph Nader, urging us to pass this omnibus bill to the committee with all possible dispatch. He regards the bill, obviously, as a substantial part of the government's plan to protect our inflation—ravaged consumers.

● (1610)

On the Conservative side, starring roles have been assigned to those staunch defenders of collective bargaining rights, the hon. member for St. Paul's (Mr. Atkey) and, of course, the hon. member for Trinity (Mr. Hellyer), who essentially say, "Let's go easy," "Why so fast?" or, "Don't hustle this bill into committee in unusual or unseemly haste".

I have heard them and others in that party insist that it is only fair and democratic to give Canada's consumers a chance to prepare briefs for committee presentation. Pity those poor consumers; they need time to prepare arguments, their voices are muted and they are underfinanced. Few, if any, references have been made by the Conservative Party, the hon. member for St. Paul's, the hon. member for Trinity and the hon. member for York-Simcoe (Mr. Stevens), about the well-heeled Chamber of Commerce or the CMA's louder voices who will also want to jam the committee with representations to repeat their arguments for the third monotonous time.

As for my position, I honestly do not care much one way or the other. I think Bill C-7 is largely cosmetic or tokenistic. I do not believe that its passage will make very much difference in ensuring improved competition in Canada. And even if it does, I fail to be convinced that the resulting benefits of improved competition—if there are any—will be passed on to the Canadian public. Very impressive, I thought, was the admission of the hon. member for Trinity that in an oligopolistic industrial and commercial society, which is our present one, price leadership and other under-the-table deals were never made in written form. Usually, the hon. member reported, in such instances where price-fixing and combine arrangements were agreed to, they were made among the boys on the golf course, at lunch in the club or in some back room and sometimes hardly a word was spoken. I found that admission particularly revealing and I thought he displayed unusual frankness.

The hon. member for Bruce (Mr. Whicher) told us a moment ago that this legislation will do a great deal to protect us from being gouged by lawyers, doctors and glass companies. Under a situation where there is no cartel per se—that is, a formal one—and when only the informal one exists I do not see how this bill can protect us from unwritten professional tariffs.

Another impressive revelation on the subject of competition was made a couple of weeks ago by the Minister of Transport (Mr. Marchand) who in an equally rare moment of candour admitted that in terms of a Canadian transportation policy, at least, the policy of competition between carriers had been both ineffectual and costly. The whole policy appeared to him to be a blunder and we urgently need a new policy. Naturally, when two distinguished members of parliament representing the major political parties, such as on the one hand the hon. member for Trinity who tells us that in industry dominated by a few major firms competition does not occur, and the Minister of Transport who says that in transportation competition has not worked, how does a person's faith in competition remain firm?

I am at once impressed and distressed because both the major parties have been selling the Canadian public on the joys and benefits of competition for as long as I can remember. If competition does not work or does not happen, and when it does happen it does not work, what are we left to believe in? It is shattering, I think. It is like discovering for the first time that there is no Santa Claus.

This bill does little, if anything, to enhance fairness in the marketplace. This came through as the theme of the hon. member for St. Paul's: the bill's passage is not to the benefit or to the detriment of either business or the consumers. And at least that much was implied by the hon. member for Trinity who also said that he will vote for the bill eventually. If Bill C-7 is a "nothing" bill, what is the point of hanging around here for ever and ever debating second reading? I agree with the members of my party, the hon. member for Bruce and the minister who urged us to hurry passage of the bill to the committee for detailed examination. If we just want to hang it up, then that is political strategy in itself. All parties are guilty of that from time to time—

An hon. Member: Oh, oh!

Mr. Rose: —except, of course, the Conservative Party! I therefore opt for an early delivery of the bill to the committee so that this House can get down to more crucial matters.

Now, to heed my own advice, I should like to get down to discussion of some aspects of the bill. There are numerous details because this is an omnibus bill which covers a variety of subjects. However, I will limit myself. I should like to discuss only some of the aspects of the bill which I believe require elaboration and explanation. My first reference will be to section 7 on page 5, which requires six persons over the age of 18 to bring forth an application to the director before an inquiry can be launched on an alleged contravention of the Combines Investigation Act. Under paragraph (2) of that section, the rights of those six persons are further limited by requiring them to provide evidence and name names to support their request to the director.

I think the thrust of this section is all wrong. I think it is wrong to leave it up to citizens to prod a possibly reluctant director into action. I think its further limitation is in the evidence-gathering provision, because all of us know that the evidence-gathering abilities and powers of citizen groups or even, as the hon. member for York-Simcoe pointed out, small business groups is quite limited and, in addition, evidence-gathering can be costly. At the moment the director is free to respond or not and to remain in his customary comatose posture.

What we need in this country, and what we want is a self-starting, vigorous ongoing monitoring by the commis-

sion of all aspects of Canadian business and commerce. We need a commission that is busily engaged in launching its own investigations, not waiting for citizen groups to bring infractions to his attention. The commission should be investigating in an ongoing way possible price-fixing, gouging and all the rest of the unfair and criminal business practices wherever they might exist. For instance, citizens may suspect that they are being gouged by a concrete company, a steel company, a sugar company or any other company, and therefore their right to request an investigation should continue to be acknowledged. I have no objection to the provision, but I think that in addition self-initiated investigation should be the constant preoccupation of the director.

Clause 9, dealing with private inquiries, also causes me some concern. Why "private"? Certainly parts of the investigation might benefit from privacy up to a point, but any representation and evidence set before a tribunal should have the full force of publicity as a deterrent to further transgressions. When criminal trials are conducted in this country, except in cases involving minors the cause of justice is better served by public ventilation. We only encourage the law to be broken by in-camera proceedings which protect the reputations of those people who may or may not be wrong. We do not apply the same kind of rules to criminal cases whether the person is subsequently proved guilty or not.

At this point I should like to make a comment or two on restraint of trade which could result in undue restrictions in the Patent Act and the Copyright Act or in general restrictions on profits of intellectual properties. I suppose this sort of thing could be compared to the often repeated story about the carburettor in a Cadillac which would give you 60 miles to a gallon being repressed. While there may be some examples of a limited manufacture, transportation of dissemination of intellectual properties causing either business or consumer economic hardship, the representations which I as a member of parliament most frequently encounter are directed in quite the opposite direction.

● (1620)

When we were considering Bill S-9 in the previous parliament we heard many representations from actors, authors, dramatists, writers and musicians to the effect that inadequate legislation existed in Canada to protect the legitimate interests of the creators of intellectual properties. Suggestions to improve this ranged from readership logs for libraries to more adequate rewards for Canadian writers. We heard about performance fees to compensate Canadian actors and musicians. The then minister, now the Minister of State for Urban Affairs (Mr. Basford), assured our committee that the whole copyright legislation was being reviewed. Considering the elapse of some two or three years, I can only assume that this review must be exceedingly exhaustive and detailed, because the House has heard no more about that issue. You yourself, sir, now acting as Mr. Deputy Speaker, were involved in those committee deliberations and I am sure you can corroborate what I have to say.

Nothing has happened in the interim despite the fact that one of the major people making representations before the committee at that time was the Minister of Science (Mrs. Sauvé) who was then a private citizen. To date we have heard no more about adequate rewards for Canadian artists' creative and intellectual properties. But while we are on the subject of the recording industry and recording rights societies, may I say it appears to me that the copyright appeal board might well consider a substantial review of the present regulations relating to the payment of fees by radio stations, clubs, Canadian Legion branches and even fairs and exhibitions from which fees are levied by the large performing rights societies such as BMI, an American outfit, and CAPAC, the Canadian equivalent of ASCAP.

I think we can all agree that some of the jukebox radio stations get their most important product, music, dirt cheap through these performing rights societies. But other radio stations which specialize in such things as talk shows and which employ music sparingly pay through the nose for this product because they are asked to pay a 2½ percentage of gross fee to U.S. and Canadian performing rights societies. And what about the injustice accorded by our legislation to a non-profit fair or small club which cannot afford a list so that its manager can select between BMI and CAPAC properties? In the United States a fair is considered a non-profit organization and as such is not subjected to these fees.

It is time we had a look at this matter and it is time that through our laws we provided a list of the properties belonging to these performing rights societies so that the manager of a fair, of a club, of a Canadian Legion branch, or even of a radio station can play music for his customers from one or other of these lists. Of course he will have to remit his fees to one or other of the societies, but hopefully the manager would select a Canadian performing rights society such as CAPAC.

I would now like to draw attention to part IV of the bill which deals with those matters "reviewable by the commission." This concerns itself with the preclusion of a person to meet competition because of inability to obtain adequate supplies anywhere in the market on his usual trade terms. I would like to recount the recent experience of a manufacturer in my riding. The case is not at all unusual, and I think it is representative all over western Canada because of western Canada's lack of a steel mill and/or equitable freight rates. Incidentally, I am glad that the Minister of Transport is still in the House.

The story is that my constituent, a steel fabricator, bid on a $250,000 contract for a national company, in this case Air Canada. The contract was for the manufacture of animal cages. When preparing for his bid he was saddened to learn that the raw product, in this case steel wire material, cost $20 a hundredweight imported into Vancouver from Japan. Upon inquiry he discovered that the same grade of wire was produced in Quebec by Sidbec corporation, a government-owned corporation and the grateful recipient of generous federal government grants. Sidbec was selling this steel wire for $10 a hundredweight, or approximately half the cost of the stock imported from Japan. But when my constituent attempted to purchase this wire from Sidbec he was advised that since he had not purchased raw material from that corporation in the past year, and because Sidbec had export commitments—which was later denied—he was not eligible to become a custom-

er. In other words, Mr. Speaker, that is what part IV precisely attempts to remedy.

He later discovered that he could buy the wire from a Winnipeg firm, wire allegedly produced in Canada but imported from the United States, at a cost of $14 a hundredweight. What this story points out is that it is virtually impossible for the west to compete in manufacturing with central Canada as long as in the west raw materials are far more expensive and no law enforces the concept of price equity. If this bill helps here, then it is worth while.

Under the loophole clause in 31.2(c) of the same part, "ample supply" as stipulated there would perhaps, I am afraid, enable a supplier to get out from under his obligations because what constitutes ample supply is a very debatable matter. I suppose that any supplier could plead short supply. I find that throughout this bill there are some other very equivocal words and statements which, although they may not be deliberately vague, should be tightened up in committee. As I say, any supplier could plead short supply, somewhat in the same manner as the U.S. oil companies which deliberately refrained from going ahead and building refineries during the past five years. As a result, they can deliberately and accurately plead short supply simply because they have not built the refineries, and premeditated refinery shortage is used as an excuse to raise prices.

With special reference to the Minister of National Health and Welfare (Mr. Lalonde), we welcome the reference in proposed new section 32.3 to professional and amateur sport. For far too long sport has been regarded as of no particular concern of government. Of course, other countries have not felt the same way and as a consequence were much quicker to see the cultural, physical and propaganda benefits of sport. Our country has only belatedly begun to interest itself in sports promotion and regulation. It is fair to say that over the past five years we have spent only about half of the annual $6 million budget for fitness and amateur sport. So lethargic has been Canada's approach to sport and fitness that some $15 million allocated over this period was never used for the benefit of our citizens.

In spite of this underspending, Mr. Speaker, I notice that this year the budget is increased to $17 million from $12 million in 1973. I take it that the extra budgeting is somehow related to pre-Olympic preparations. I do not know whether it is for the fitness of our citizens or for hot-housing some athletes—the minister shakes his head—but it is interesting that, not having spent the money budgeted over the past five years under a different minister, now the budget all of a sudden is increased to $17 million. As I say, I find it interesting.

But far outstripping the growth and support for amateur athletics, the past five years have witnessed an outstanding growth in professional sport both here and in the U.S.A. Professional sport is no longer the preoccupation of a few sports-minded hobbyists. Coupled with our affluence, both gate and TV revenues from sport are extremely attractive to the diamond-studded aristocrats who can afford to buy sports franchises in major centres of the continent. There must be a number of these men in North America because the expansion of leagues and frianchises, certainly in football and hockey, is enormous.

● (1630)

But, I insist, we are no longer dealing with simple game playing but a developing sports industry of major proportions. This major industry, I submit, should be subject to legislation and control, as is any other business. It is a business, and that is why I cannot accept the argument of those people who say it is not the government's business whether the World Football League is allowed a Toronto franchise or whether the proposed $178 million Olympic stadium in Montreal, paid for by the people of Canada, will or will not be the future home of an NFL franchise. A Montreal NFL franchise would be attractive, of course, not to benefit the people of Montreal but for the economic benefit of whichever mogul or covey of private entrepreneurs is successful in securing such franchise.

In supporting the Minister of National Health and Welfare in his attempts to arrive at some solution to American Athletic imperialism, many members of my party are extremely concerned about the future of the Canadian Football League and especially about the community-owned teams in western Canada. We are concerned about the current World Football League player raiding of the CFL, and that is why we back the minister in his stand against the WFL Toronto franchise application.

Incidentally, if some members of the official opposition can justify keeping out American beef to protect the Canadian cattle industry, why can't they extend the same logic to keep the WFL out of Canada? To get back to the sports provisions under section 32.3, while we welcome them I would remind the House that they seem to be a bit equivocal and raise more questions than they adequately answer. The appearance of the word "unreasonably" as in 32.3(1)(a) "to limit unreasonably the opportunities for any other person to participate as a player," etc., or in section (b) "to limit unreasonably the opportunity for any other person to negotiate", or in 32.3(2)(b) "a reasonable balance among teams", seems very subjective to me and naturally subject to a number of interpretations depending upon who is making the determination. As a result, we are not at all sure what the whole section means to professional and amateur sports because in spite of the fact that much explanatory space is given to the other sections of the bill, the pages opposite pages 27 and 28, the sports sections, are blank. There is no explanation at all for the rationale behind the clauses given for members of parliament or the interested sports groups who are following the legislation with much interest.

I suggested that the section raises a great many questions and I will list three. First, will the section disturb the cozy reserve and option clauses which are rampant in pro sports and which have been the subject of much heated controversy both in Canada and the U.S.A. over the years? When I speak of the reserve or option clauses, I am speaking of the extra year after a contract runs out which binds the player to a kind of peonage for one year after he has fulfilled his obligations. I do not know of any other business or vocation where this sort of thing is allowed. It is a practice which was criticized vehemently by the government's task force on sports in their report issued a few years ago.

Second, will this section ensure that cities wishing franchises—like Vancouver which wanted an NHL franchise

some years ago—will be guaranteed a reasonable opportunity to receive them? Or will the practice continue that the league governors will be permitted to dally for years as they did in Vancouver's case. Parenthetically, I suspect this section appears at the behest of the former minister of consumer and corporate affairs because of the Vancouver situation when the delay in granting the franchise caused the price tag to go from $2 million to $6 million, when it was finally granted to a group of American entrepreneurs. I find a good deal to agree with in the remarks of the hon. member for York-Simcoe about American-owned interests and what the hon. member for Bruce said about the extraterritoriality of foreign loans relating to our own exports.

Third, will the section guarantee that a minor hockey player or team will be allowed to play other hockey teams in organized leagues even if that team is not part of the league? What happens is that certain minor leagues gang up and will not let their teams play against rebel teams even though the boys are in the same age group. It is these questions and many others that are left unanswered in this section on sports. The section indicates merely what certain players and leagues may not do, but nowhere does it spell out in any detail what they may do. For this reason I am certain that at least a dozen sports groups will be anxious to appear before the committee, if we ever get to committee stage.

Finally, Mr. Speaker, I should like the House to know that others besides the hon. member for Trinity are concerned about oligopolies which, as we know, are informal cartels operating in Canada. Oligopolies can result in unfair prices for the Canadian consumer. We have heard from a number of people that there is virtually no way of controlling the excesses of oligopolies either through this bill or through any other legislation. An article in the business section of today's *Globe and Mail* tends to confirm the suspicion that large, informal cartels do exist, that they co-operate and indulge in price leadership schemes to the detriment of the consumer. It is interesting that firms in the best position to control prices because of limited competition in their respective fields have also shown the best performance in terms of profits for the past year.

What is the answer to this gouging? Certainly not this bill, as there is little in it that deals with today's corporate business realities. This bill will not do it, but I am certain that a flat excess profits tax would be a partial answer and I call on the government to introduce such a measure with all possible haste. What would be wrong with using the returns from an excess profits tax to subsidize food for consumers? Naturally, I do not mean only domestically produced food, but the excess profits tax or the returns from it could be used to subsidize also the food that we import from developing countries. All of us are familiar with those foods—sugar, bananas, oranges and other things not grown in Canada.

Internal cartels are illegal, but external ones are not. In the developing countries, which have a monopoly on certain commodities upon which the world is dependent, we see a flexing of combined muscle, a getting together in an external cartel to ensure themselves a better slice of the world's economic pie. I do not believe we can blame poor countries for that. There is nothing wrong with giving developing countries a fair price for their products, provided that price in Canada is not increased and inflated by excess profits of our own domestic cartels or informal cartels.

[Mr. Rose.]

● (1640)

To lower prices we should provide ourselves in this parliament with power, as suggested by my party earlier, to roll back unwarranted price increases; otherwise Bill C-7 will be largely ineffectual as an inflation fighter. It will not help much. I think we should refer the bill to committee as quickly as possible, as I am sure members of my party will agree. Let us close off this debate and deal with the bill's details in committee.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, let me straighten the record. The hon. member for Bruce (Mr. Whicher) more than once in this debate referred to comments made by the hon. member for St. John's East (Mr. McGrath). Let me say that the hon. member for St. John's East has not yet spoken in the debate. Any comments he made were made outside the House or to the press. It is appropriate to record that. Before commenting, the hon. member should wait and see what the hon. member for St. John's East has to say. He should not comment on remarks made outside the House.

I am pleased to participate in the debate on second reading of Bill C-7. The title of the bill is somewhat misleading as it suggests that this is a bill to amend the Combines Investigation Act and the Bank Act, as well as other acts. On reading through the bill you will see that the proposed legislation leaves Canadian banks pretty much alone. When the bill goes to committee I think we should take a really close look at why the Canadian banking system is not to be regulated along with other businesses under the amended Combines Investigation Act.

Before coming to parliament I spent many years in various types of businesses, in manufacturing, in distribution and, in one period, in construction. I have worked with and for relatively large companies, multinational companies and several small companies. What I know about business I learned by doing it. I have had the experience of a large corporation "lifting" a product line from a company I was associated with, merely because the large corporation had decided to follow the policy of vertical integration. Let me say that I would not wish to repeat that experience.

After you have built up a large sales, installation and service organization and find that by a simple boardroom decision 75 per cent of your business is suddenly taken away, you are left feeling very, very empty. When that happened I reached for a book on business law and began to read the Combines Investigation Act. Actually, I consulted some learned friends in the legal profession, only to be told that they had rarely consulted the act since leaving law school. I found, after inquiring, that if I wanted advice on the Combines Investigation Act I would have to go to Toronto. Although my office was some distance from Toronto, I found that if I wanted advice I would really have to go there because that was where the action was.

The changes in the act are timely, but I cannot stress too strongly that we should proceed with extreme caution for there is much more to this bill than meets the eye. I have spent a good deal of my business life making businesses work, making them operate better, making them operate more profitably and efficiently. I have turned businesses that were in serious trouble and making losses around until they broke even and then made profits. There are no academic courses on this. There are few guidebooks to follow. It is a job you accomplish with the application of common sense and looking reality in the face during this process. That is the procedure we should follow here. We should look reality in the face when we discuss this bill in the House and particularly in committee.

I have mentioned the foregoing because my approach to this debate and these amendments is not that of the legal expert or of the idealistic academic whose concept of business never seems to go beyond a flow chart. My approach is that of a practical, practising businessman for I am still involved in the operation of a business. I mentioned just now that I will want to hear argument in committee to show why we should not include the banks under this legislation. I think this is a very serious matter for if there is one group that should be examined closely by the committee, it is the group of banks making up the Canadian banking system. The banking business is probably without exception the most pampered, catered to and protected business in this country. Leaving the supervision of competition in the banking business to the Inspector General of Banks is just pure sham as far as I am concerned.

Let us see, for example, how the various banks handle loans under the Small Businesses Loans Act. I ask any member to go to the local branch of a chartered bank and ask about a loan under the Small Businesses Loans Act, the Farm Improvement Loans Act, the Fisheries Improvement Loans Act or any similar type of legislation. The manager will see you and tell you first of all that you do not qualify because he does not really want to lend you money under such legislation. Why should he lend you money at 8¼ per cent, the rate presently set under such legislation, when the going rate for bank loans is 10 per cent or 11 per cent? Even the Industrial Development Bank, which charges rates well beyond those charged by the chartered banks, never advises the use of the Small Businesses Loans Act. The IDB has a form which it asks you to sign. It says that you have been unable to get financing from private, commercial sources and you are therefore applying to that bank. In other words they are saying, "We are not supposed to be in competition with the chartered banks."

The truth is, Mr. Speaker, that many chartered banks refer clients to the Industrial Development Bank or to similar provincial agencies. It is well known to anyone who has ever floated a loan with IDB that your bank manager and the IDB people put their heads together very closely. You will find various tactics used by the chartered banks to discourage small businessmen from availing themselves of the facilities of the Small Businesses Loans Act. I am bringing this fact into the discussion on this bill which is to amend the Combines Investigation Act because to my mind and the minds of many small businessmen there is a conspiracy afoot.

As I said, you will find various tactics used by the chartered banks. A favourite tactic is referring you to a small branch bank which is remote from the downtown business centre. If your business is in a downtown area of a large urban centre, the bank will say, "Yes, we can handle the loan, but you will have to go to our branch bank." It may be four or five miles away. In other words, they will make it as inconvenient as possible for you to use the facilities of the act.

The Minister of Finance (Mr. Turner) has been less than helpful in this matter. I have asked him in the House and in committee about the inability of many small businessmen to get loans under the act, and about the practices of the chartered banks in connection with the Small Businesses Loans Act. Let me read into the record, if I may, the reply given to me in committee by the deputy minister. I had been reassured that the minister was again going to look into this matter of banks not giving small businessmen a good break with regard to the Small Businesses Loans Act. He told me he was going to have a chat when he had lunch with the chairman of the Canadian Bankers Association and would see what they could do. That did not reassure me at all.

● (1650)

At the committee meeting I asked the deputy minister the current rate for loans under the Small Businesses Loans Act. He could not tell me offhand. I do not say that as a criticism; I realize he has many more things to think about in these times. I eventually got a reply. This is the reply that came through to my office. I wonder whether hon. members can decipher it better than I can. I quote from the *Canada Gazette*, part II, volume 102, November 27, 1968, page 523. Under item 2 it reads:

> The base rate for each interest period shall be equal to the simple arithmetic mean of the Wednesday closing mid-market yields for all Wednesdays in the averaging period immediately preceding the interest period as computed from the yields as published by the Bank of Canada on all Government of Canada bonds payable in Canadian currency and due to mature in one to ten years, rounded to the nearest one-quarter of one per cent or, if the result would be equidistant from two multiples of one-quarter of one per cent, to that multiple thereof that is the lower.

I asked someone the interest rate. He said he would write me. That is what I got in the mail. Hon. members must admit that is hardly very helpful. I leaned a bit heavily on the Department of Finance. We had a few words over the telephone. I eventually received something that said in fact the rate was 8¼ per cent and that it was adjusted on March 31 and October 1 each year, based on the average yield of government bonds. This is what all that means. I took that quotation to a banker and asked if he could tell me the rate from looking at government bonds. He replied that he could not. I took it to an economist; he was unable to decipher it.

Before I leave the bank provisions of Bill C-7, let me press this point a little further. I think that statistics with regard to the Small Businesses Loans Act bear out what I am saying. The average loan in 1972 was $9,000, below the limit of $25,000. I might point out that a new bill was given first reading in this House which, among other things, will raise the limit to $50,000. I certainly welcome that. I hope that after we have a chance to look at that bill we will be

able to facilitate many more small businessmen with these loans.

For the calendar year 1972 there was a total of 2,846 loans made to small businessmen in Canada. I can guarantee that in any large urban centre in Canada any one bank could make 2,846 loans. It is interesting to see the distribution of these loans. It is as follows: British Columbia, 456; Alberta, 275; Saskatchewan, 174; Manitoba, 133; Ontario, 596; Quebec, 1,096; New Brunswick, 45; Nova Scotia, 37; Prince Edward Island, 31; Newfoundland, 5. There was one in the Yukon and two in the Northwest Territories. That makes a total of 2,846 loans for the whole year throughout all of Canada.

I have a question which I hope the minister will answer when we get into committee. Will the provisions under section 31.2 of this act, refusal to deal, apply to a bank? If all we can do is underwrite 2,846 loans to small businesses in one year, when there are hundreds of thousands of small businesses operating in Canada today, there is evidence of a conspiracy on the part of the banks, and perhaps even the Department of Finance, to restrict these loans. There have certainly been enough questions put to the minister on this subject, but we have never had a clearcut answer.

I will now move on to other matters. Contrary to the views of some members opposite and their colleagues in the NDP, I do not feel we should rush this bill. The hon. member for Bruce implied that we were holding up the bill. This legislation in various forms was before this House in 1971 and 1972 as Bill C-256, last October as Bill C-227 and now as Bill C-7. It is only fair to remark that it is the government's responsibility to bring in legislation. It is not the responsibility of the opposition. The government has the responsibility to put legislation on the order paper, not the opposition. If Bill C-227 had been introduced earlier last year, it probably could have been sent to committee. It may have passed last year. The responsibility for introducing legislation in this House rests strictly on the government. When the hon. member for Bruce implied we were holding up the bill, he was not quite as straightforward as usual.

I am worried about this bill. Any piece of legislation that will affect the sale or distribution of products in this country deserves a really good look. Irreparable damage could be done to a system which although perhaps faulty in places has served the people of this country well. I am not saying there is no room for improvement; there is always room to improve anything. In my business experience I have met businessmen from all walks of life. The vast majority are honest, sincere, law-abiding people. They contribute greatly to the economic and cultural life of Canada. They are proud of their achievements in business and the part they play in the life of the community. You will find them at various times of the week at Rotary, Lions, Optimists or Kinsmen clubs performing a public service to their community.

An hon. Member: What about the Rideau Club?

Mr. Kempling: Yes, and possibly the Rideau Club. Any attempt to rush this bill through its various stages could do damage to the consumer as well as the supplier, manufacturer and business community. There is a supply problem in many product lines today. The thrust of this bill implies that the interests of the consumer will be best served if price competition is maximized and by this action the problems of the consumer will be lessened if more competition is created by applying the "refusal to deal" section of this bill.

The drafters of this bill are saying that by creating more competition the consumer will have lower prices. This is what they are implying. That is not necessarily true. They seem to be saying that by providing protection from pyramid sales, bait and switch, product guarantees and warranties, the consumer will be protected and will in effect get the most for the least. As many members know, many provinces have this legislation in effect today. I feel the people who drafted this bill have only an academic knowledge of the Canadian marketplace. Price is only part of a transaction. A sale is a two-way transaction. There is hardly anyone in a legitimate business who does not want return customers. The whole idea of a business is to develop a market, which means creating or supplying products or services which people will purchase over and over again.

● (1700)

I do not believe anyone ever designed or invented or created or caused to be manufactured a product or article by first looking at what the law said he could or could not do with that product or article. I do know that the universally accepted practice of purchasing low bid has caused products to be designed or manufactured to minimum specifications, and that the consumer has been the lower. Eventually machinery is designed to these standards and in the long run both consumers and taxpayers are the losers.

Millions are spent each year in researching and developing products and on trademarks and patents, product testing and market research, to put into the marketplace products which will be serviceable, useful and attractive enough to cause consumers to purchase them again as required. Yet the bill before us implies that trademarks, patents and brand names could become worthless if the refusal to deal provision is not clearly defined. The bill does not say refusal to deal is an offence, but that it is subject to review.

Another clause mentions injunctions against someone refusing to deal. I think clearly defined explanations of this clause, together with examples, must be forthcoming. At stake here is the distribution in Canada—a unique system. Because of the nature of our geography, market dimensions of roughly 2,500 miles in width and 200 miles in depth, market practices exist here which are not found in other countries. They have been developed to suit our particular geography.

Consider the machinery business, for example. In order that a manufacturer of machinery may offer proper technical and service representation in a remote market area, it may be necessary for him to arrange to grant exclusive distribution rights. It may be necessary for the manufacturer of a product to agree to select a dealer to sell his products exclusively because the market will only support one dealer. The dealer may quite rightly demand an exclusive arrangement with the manufacturer and distributor

in order to justify the cost of product inventory, service parts inventory and technical staff for servicing.

Some segments of our distribution system may become a jungle if the right to deal provisions set forth in this bill are not closely examined and defined. This will certainly not be to the benefit of the consumer. It might well be that a complete segment of the sales and service industry which supports and sustains our manufacturers could be seriously jeopardized. Again, the consumer would not be well served by such a development.

Consignment selling has been mentioned and the practice has been questioned. Mr. Speaker, there is scarcely a manufacturer or distributor who has not at some time been offered goods on consignment or been asked for consignment inventory. The suggestion has been made that this is wrong, that the consignee may be caused by the consignor to act in a certain way. This is possible, but usually the consignor is acting as banker for the consignee as a result of the monetary and fiscal policy of the government which subsequently becomes the loan policy of the chartered banks. The effect of this policy is that the consignee cannot get access to the necessary financing.

We say without fear of contradiction that the banks in this country have not kept pace with the changes which have taken place in manufacturing and distribution in Canada. Examination of most manufacturing processes reveals that the marketing arm of the manufacturer requires that someone in the distribution stream forecast annual requirements so that production runs may be planned. It may well be that the fiscal and monetary policy of the government is designed to cool out the economy. The dealer downstream finds he cannot get financing for his industry from the banks, and consequently he asks the manufacturer for a consignment inventory.

The question which comes to mind at this point is: Where is the fault? Does it lie with the banking system or with the manufacturer? I do not deny there have been occasions on which dealers have been pressured by manufacturers to get rid of the items in the inventory at a certain price. Other sanctions may be imposed in these circumstances. But in my opinion this is a rather rare practice today. I agree, though, that this is a matter which one should take into account, not superficially—let us not rush it through—but we should take the time to hear competent witnesses who can discuss all these matters in committee.

Most dealers establish a line of credit at their banks. The collateral they offer consists of accounts receivable and negotiable securities, in most cases, plus personal guarantee. In other jurisdictions the inventory which will be acquired may be offered as security under certain circumstances, but in Canada the Bank Act does not allow this. The act does, however, under section 88, allow a manufacturer to offer raw material and unfinished inventory as collateral, but no such provision exists for the dealer downstream. In these circumstances it is possible for some questionable practices to be engaged in as between manufacturers and marketing dealers. The situation bears looking into, though, as I said earlier, we should also inquire into the banking facilities made available to the dealer.

There is also the question of provincial licensing as it affects some areas of machinery sales. In many provinces licensing bodies to protect the consumer and see that machinery is repaired and serviced by competent people have long been established. The automobile industry is a good example. Garages are required to be licensed and in a number of provinces automotive mechanics are required to possess licences before they can repair or service motor vehicles. We must examine carefully the provincial implications of certain of the provisions contained in the bill before us. I realize the minister has sent copies of the bill to all the provinces, and no doubt submissions will be made to him. But this is an area in which no confusion should be allowed to arise. In considering legislation of this kind where both federal and provincial jurisdiction is involved, we should move carefully and do our best to bring all requirements into harmony and make it smooth-working for the benefit of all.

Another point I should like to discuss is the right of the supplier to choose his customers as he sees fit. It is the only way to ensure a stable market in some products. The consumer may be better served if sellers compete with quality of service rather than price alone. It may well be that there are products with regard to which the manufacturers feel their customers' only concern is price, and that quality of service, service after sale, warranties and so forth are not necessary. But the decision should be determined by market forces and conditions, not by rules established by an act of parliament and interpreted loosely by a quasi-judicial group. The right of a manufacturer or distributor to select his customer is a long established business practice. I do not know of one jurisdiction in what we call the free world where this practice does not exist. I have travelled and done business in 31 different countries and I know whereof I speak.

● (1710)

One need only examine the distribution system to see the disruption that will be caused if the right to deal section of the bill is not given the closest scrutiny. For example, manufacturer A could establish distribution of a technical product that requires a high level of skill to market. He may invest money and considerable time in downstream distribution processes, assuring that the dealers he selects have adequate financing and technical know-how to sell, install and service his product. Manufacturer B who has a similar or competitive product, but does not have the desire or resources to market his product in this way, will now find that under the provisions of this bill he can market his product through the distribution system of manufacturer A. In my view, if the refusal to deal section of the bill is strictly enforced, manufacturer A would be discriminated against.

Everyone recognizes that there are price levels. We all recall the famous statement that what this country needs is a good ten-cent cigar. There are many people who are prepared to pay only a certain amount for a given product. We should be cautious not to enact any regulations that will circumvent patents, trademarks and brand name products. As I read this bill, it could be necessary for manufacturers, under the refusal to deal section, to sell a proprietary product that they have been manufacturing under a brand name to anyone who feels that he is being

denied a share of the market and who meets the other terms and regulations regarding conditions of sale. This is bound to create problems with other statutes and regulations and I am sure would work to the disadvantage of the consumer in the long run.

The section of Bill C-7 dealing with services demands that there be a period of time allowed for adequate consultation with the provinces. Some provinces have legislation covering the fees of some service groups. Some provinces have legislation pending. I believe that we should approach the matter of services in the fullest spirit of co-operation with the provinces so that the final regulations will meld or dovetail with provincial legislation, to the advantage both of those in the service field and those who use the services offered.

It seems to me that since coming to this House much of the legislation presented has had an underlying direction away from the courts or parliament, that it tends to endeavour to place quasi-judicial power in the hands of boards or commissions. I do not disagree that much of the technology of today is beyond the competence of the courts, and I do not find fault with this particular process provided the right of appeal is given to those persons who are the object of the rulings of a group such as the Restricted Trade Practices Commission. But I do object to legislation that in fact removes the power to act from the courts and from parliament.

There has been concern expressed by business groups across the country over the powers that will be given to the Restrictive Trade Practices Commission to regulate Canadian business. These business groups, indeed any group or individual, must be given an opportunity to express their views and to request the exact terms of reference and powers to be given to the Restrictive Trade Practices Commission. It is not enough to suggest, as some members of the NDP have suggested, that because Bill C-256 was discussed by the business community, enough representations have been made and that those representations should serve for Bill C-7. That is not consistent. I agree with my colleagues that adequate time must be given to allow for discussion of the bill and for representations to be made by the business community and the service industry as well as by professional sport.

Recently we had the example of the Minister of Transport (Mr. Marchand) telling the House that under the Transport Act he cannot remedy certain situations because he does not have the power to act. We do not want another situation like that, and this is why I suggest a more cautious approach here so we are sure to cover the matter thoroughly.

We find reference in the bill to amateur sports, and I should like to read into the record a letter recently received from a constituent of mine that is typical of a number of letters that I have received on this subject. I know other members are going to speak about professional sports, but this is a letter that I received on March 14 last:

> Dear Mr. Kempling: This is the first time that I have written my member of parliament about a subject which concerns me. Since this is a "first" in my 20 years of electing people to parliament, I trust that will indicate the degree of my concern.
>
> I am most disturbed over the attitude taken by Mr. Lalonde towards the Toronto Northmen. Firstly, let me state without qualification that I am a supporter of the Canadian Football League and have been since I first started regularly attending games in the late 1940s. I intend to continue this support even with a WFL team in Toronto.
>
> What bothers me is having my freedom of choice legislated away. Giving people, by government law, only one choice whether it be football games, newspapers, beer or toothpaste is to me a very dangerous course to embark upon. The right to compete and offer an alternative product is basic to our way of life.
>
> I am afraid I cannot accept this image of the CFL as being a great Canadian institution with 90 per cent of the coaches and general managers and 50 per cent of the players being American. The teams in the east are private enterprise situations and are in the "football business" with the hope of making a profit. Surely the Northmen are entitled to the same right.
>
> If the CFL is going to survive, as I think it will, it must be on the basis of the calibre of their product and not the fact that they are a government backed monopoly. It is the right of the public to choose where they spend their sports/entertainment dollar.
>
> Surely with unresolved problems like unemployment, inflation and welfare abuses, the government of Canada has more important issues to command their attention. The CFL is a great thing but not deserving of becoming a government protected monopoly if it is done at the expense of eliminating the personal right of choice of millions of southern Ontario citizens.

That is signed by my constituent, Mr. Jack G. Williams, and I think it expresses adequately my feelings on this matter.

I see my time is drawing to a close, so in the remaining 60 seconds I should like to say that another section of the bill that I am concerned about is the part dealing with the power of the commission to forbid foreign judgments or court orders directing Canadian subsidiaries away from export trade. I really do not think we are handling this in the right way. Quite frankly, I doubt whether the decision of a board or commission would have any effect on United States law. I do not believe this provision will be effective. I believe that this section of the bill has to be negotiated at the highest level in this country and in the United States before we can resolve the matter. With that remark, Mr. Speaker, I conclude.

● (1720)

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, Bill C-7 which we are debating today on second reading has the following rather cumbersome title:

> An act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code.

It seems more and more to be referred to as the consumer protection bill. I want to deal this afternoon with two particular aspects. Amendments in this bill are aimed at bringing improved benefits to consumers, small businessmen and to Canadians in general. The principal features of the bill include additional measures to deal with undesirable trade and advertising practices and the creation of a new civil function of the Restrictive Trade Practices Commission enabling it to issue orders to modify or prohibit certain trade practices put before it, and provisions that would bring services in general under the legislation.

A major concern of the construction industry is that the Restrictive Trade Practices Commission will apparently have wide discretion in determining what acts or practices are to be entertained as complaints and considered prohibitive. There are very long standing trade practices and procedures in the construction industry which could

be considered suspect unless qualified, and therefore the commission must be regulated.

The clauses to amend the Combines Investigation Act could create several new offences, including bid rigging. The practice is defined as either an agreement to refrain from bidding in response to calls or the submission of bids or tenders arrived at by collusion, and the prohibition against the practice will extend to services as well as physical articles. The proposed revision to the act is expected to make it easier to prosecute in cases involving bid rigging because it relieves the Crown from having to prove that the practice lessens competition unduly, as is currently required. Generally, proof of undueness has rested upon showing that the participating firms had substantial market control. However, cases of bid rigging that come to the attention of the Director of Investigation and Research sometimes involve only local firms with a small share of the construction market. Because of the requirement of proving that rigging of construction bids would have an undue effect upon competition, successful prosecutions of these practices have been thwarted.

The bill's proposal to remove this hindrance to bid rigging prosecutions by making the practice per se an offence flows from a recommendation of the Economic Council of Canada in its interim report on competition policy. It recommended that section 32 of the Combines Investigation Act be revised and suggested that bid rigging is a practice that could surely be prohibited without any qualification whatsoever. The construction industry agrees that bid rigging per se must be prohibited, but the terminology referring to collusion, conspires, combines, etc., all used in the same sense, must be clarified. An honest agreement or arrangement between builders with the owner's knowledge could mistakenly be considered a breach. If the owner or customer initiates or is aware of agreements between contractors, this should not be prohibited.

The bill now makes so-called bid rigging an offence. The Canadian Construction Association has stressed that the application of this provision to the contracting sector of the industry would go beyond the required prohibition and could adversely affect competitive tendering procedures. The vast bulk of construction work is carried out on the basis of competitive tenders submitted by prime and subtrade contractors. This involves the allocation of expensive resources for each individual tender call inasmuch as there is no homogeneity in construction and design, location, topography, weather and supply conditions all affect the bid amount.

Tenders are based on plans and specifications which on many projects are extremely complex and may require special explanation to enable bidders to tender competitively and equitably. Pre-tender conferences are very often convened by the owner or his consultant designers to clarify many aspects of the project. In some instances, agreements between the owner or his agent on the one hand and the tenderers on the other are necessitated by the complexity of a particular tender call. Such agreements should in no way be considered as being either price fixing or bid rigging, but could be construed as coming within the intent of section 32.2.

In connection with bid rigging, I feel it might be just as well at this moment to give two very specific situations which under the present act could quite easily lead to the prosecution of the participants. I am going to use instances in the cities of Toronto and Montreal, and I do not want that be construed as the expression of an anti-west sentiment. When tenders were called in respect of the new Toronto city hall—I guess it could still be termed new—the construction industry considered that the conditions imposed by the city were grossly unfair and could lead to all kinds of abuses by the owner, the city of Toronto. After meeting together, the group of tenderers agreed among themselves, with the full knowledge of the construction industry, to include in their tenders a qualifying clause. It is interesting to note that when these tenders were opened it was found that one general contractor had decided not to include the qualifying clause. His was not the lowest bid; nevertheless, the city of Toronto awarded this contract to the contractor who did not qualify his tender. The contractor lost a small fortune in the construction of the Toronto city hall and the company is now bankrupt.

The other instance, in what I like to term as my file of the city of Montreal concerns, relates to Expo '67. At the beginning of this mammoth construction program representatives of the construction industry met and discussed the terms and conditions under which the contractors would be obliged to bid for work on the Expo site. The terms and conditions were considered unacceptable to the industry and could only lead to disastrous consequences, either financial or, what would be even worse, the failure to complete construction on time ready for the opening. As a result, all members of the Montreal Construction Association in unity agreed that there would be a qualifying clause in their tenders.

● (1730)

They all used the same wording which, I submit, under the legislation as it is before us today could very easily have led to prosecution. When the tenders were opened, there was no choice; there was unity in the industry. All tenders included a qualifying clause. The result was that the purchaser, the corporation of Expo '67, recognized that it was not going to be able to proceed in the fashion that it intended; it had to take a more reasonable approach to the construction industry. I think I can say without fear of contradiction that the result was a fantastic success in that the contractors were able to complete that huge undertaking on time, and most of them with a reasonable profit margin.

The bill before us also states that a company can be forced to deal on usual trade terms. The construction association suggests that there is really no such usual arrangement in the industry and that the question of reputation, financial status and payment practices all pertain.

Referring to allowances, discounts, etc., this brings us to the question of the buyer's over-all reputation, financial status, volume of business and the like. No businessman should be forced to do business with all would-be customers. Financial institutions are permitted to grant favourable interest rates on comparative risks. The construction industry should be afforded the same privileges and permitted to evaluate customers. Again, the Canadian Con-

struction Association recommends that those agreements related to the clarification of tendering provisions made with the full knowledge and consent of the owner or his agent should be expressly exempted in the interests of efficient and economical tendering practices. They further request that the necessary practice of evaluating whether a customer is bona fide, together with the other risks of undertaking a project resulting in differing prices, not be the subject of discrimination charges.

I think there must be very few subcontractors in this country today who would not readily admit that the amount of profit they are likely to make on any one project can vary enormously depending on who the general contractor may be. It depends on such factors as the scheduling of the general contractor, his efficiency in keeping the site clean, the manner in which he provides access to the site, the ease and the timing in providing equipment for hauling materials to higher levels, and so on. All these factors have a tremendous influence on whether a subcontractor will make a profit or a loss.

Unfortunately, in the public image the contracting business is big profit business. This comes about from the fact that it is a very high-risk business. It is acknowledged that in some instances a general contractor and his subcontractors can make what might be considered, on a percentage basis, high profits. However, because of the fact that it is a high-risk business, these high profits have to be balanced against losses or often jobs on which the margin is negligible. I might refer hon. members to an interesting study that was done in my company several years ago. We found that by taking all the projects that we had undertaken over a period of several years and looking at the profit margins, if we had had the foresight—or call it ability if you like, but there is a certain amount of luck in the construction industry also—to have picked only the profitable jobs, we would have done about one-third of the total volume of work and we and our partners in the company would have been millionaires. I can assure you that that situation does not exist; I am not in that fortunate category today. All I want to emphasize is that in the construction industry we have to permit more discretion than is applicable in other lines of business.

The minister, in speaking of the situation where some contractors are not considered to be good business risks and would therefore not receive bids from subcontractors at the same level as contractors enjoying their full confidence, admitted that this might well constitute a breach of section 34(1) of the act. In other words, a subcontractor might be forced into a position of loss. I think this is contrary to the intention of the act.

I want to speak now about the complaints of small businessmen in connection with this bill. Small businessmen are clamouring to protect themselves from the growth of large corporations. They are particularly concerned about two practices—predatory pricing and loss leader selling. Let us look at section 31(4) of the bill, which is new. It deals with tied sales, exclusive dealing and market restriction imposed by a supplier of products. The government's view is that while these practices are often acceptable business methods, they may in other instances have an adverse effect upon competition, especially when engaged in by a major supplier or when they are widespread in a given market.

The common objection is that they prevent the free operation of market forces and consumers' choice. Accordingly, the Restrictive Trade Practices Commission would be empowered under the amendments to review such situations and to make remedial orders as required. The term "market restriction" has been adopted for the practice in which a supplier requires his customer to sell only in a prescribed market area or to pay a penalty for selling outside it. One European car manufacturer adopted it and allotted precisely defined territories to his dealers. This discouraged dealers from seeking business outside their allotted area and had the effect of depriving customers of effective price competition for that particular product.

● (1740)

Under his system, dealers who sold outside their franchise area had to pay part of their profit margin to the dealer in whose territories the customers resided. I must say that in this particular proposed amendment I am most pleased to see that provision is made to terminate this market restriction, because at the present time—again referring to the construction industry—we are aware that by agreement, or perhaps by chance, suppliers will find it more economical to supply in areas near their warehouses and supply depots, so that the materials in short supply in the construction industry at the present time are being restricted by region, thus making it impossible for contractors to obtain competitive pricing when in effect there is only one supplier open to them.

The term "tied sales" describes the situation where a supplier requires his customer to purchase a second product as a condition of being supplied with the product he really wants. One example of this is where a film distributor requires exhibitors to rent additional films in order to obtain the film of their choice. Another example is where makers of machinery have made it a condition of sale or rent that supplies used in connection with the machinery be obtained only from them. Tied sales also extend to a requirement that the product not be used in combination with some other product. This covers a situation where more favourable terms of sale are offered in order to induce the customer to engage in the tying arrangement.

Again referring to the construction industry, there is a practice common at the present time where, for example, if one wants to buy insulation material the supplier may state that the customer must stay with a particular brand and purchase other materials which he is already purchasing elsewhere. So at the present time we find ourselves in the ridiculous situation where a contractor, placing an order for materials that are quite plentiful, suddenly finds a tied sale condition imposed upon him, and in certain instances he has had to return materials already delivered to his construction site to the original supplier and receive alternative materials from the supplier of materials which are not in plentiful supply.

Exclusive dealing and tied selling are dealt with in section 31.4(1) of the proposed amendments which include certain criteria for the guidance of the commissioners. The commission would not prohibit the practice where it is found that an exclusive dealing or market restriction

arrangement is temporary and for the purpose of facilitating the entry of a new product onto the market or where there is some technological justification for it. Exclusive dealing takes place when a supplier requires his customer to buy certain products only from him, or from someone he nominates, or when he induces his customer to do so by giving him more favourable terms. Farm implement companies, for example, have required their retail dealers to stop selling the products of competing manufacturers, some of whom specialize in a few products not constituting a full line. The tendency of this is to deprive the market of products which are in demand and which would produce needed price competition in the market. Major oil companies have also engaged in exclusive dealing. This practice can damage competition if it unfairly prevents other suppliers from having access to outlets.

It has been brought to my attention, and I think it is worth mentioning here, that there is one practice which has not been dealt with in this proposed section and, if I may, I will read the complaint of the National Association of Tobacco and Confectionery Distributors as follows:

[*Translation*]

The distribution industry for tobacco products, preserves and miscellaneous goods greatly contributes to the welfare of the consumer by its efficient distribution system at economical prices through small retailers and other retail centres.

This system and its benefits for the consumer are being threatened by the tactics of the large distribution chain predators. No present or proposed legislation offers any protection against these tactics, of which the most serious is the use of loss leaders.

Not only must we protect the competitive structure against the acts of predators, but also promote the system by allowing the additional functions and services that it provides to be recognized.

We suggest two basic changes to the Combines Act: one to prevent the use of loss leaders, not only when this is an established policy, but also in the case of repeated offers, and the other to enable the suppliers to offer functional discounts for additional services.

[*English*]

I felt it best, in dealing with this bill this afternoon, to concentrate on one or two particular points. I am also aware that the minister has received many representations. I am personally somewhat disappointed that Bill C-7 is a reprint of Bill C-227 which was presented to the House in the last session, but I am assured that reasonable changes will be discussed and amendments proposed in committee. It is my belief that with the co-operation of all parties we should be able to produce a good bill, and therefore I recommend passage of the bill on second reading.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I think some answer should be given to the hon. member for Bruce (Mr. Whicher) who spoke earlier today. He suggested there should not be any debate and said the bill should go to committee as soon as possible. There is a purpose for debate in the House of Commons; it is to make the country aware of just what is intended in a bill and how a bill will affect people's lives and livelihood.

This bill touches on many things. It is a bit of an omnibus bill in a sense, covering a number of things. It has what is called a consumers' section, it includes some changes to the Bank Act and proposes changes in competition among corporations. It also reaches into the amateur and professional sports field. It will affect a wide number of people throughout Canada in various occupations and walks of life. All bills discussed in parliament go to committees where they are studied. Interested parties can appear before committees, ask for changes and demand clarification of certain provisions in order to determine how they will be affected by a particular bill.

● (1750)

Many governments believe that pieces of legislation will affect the community or the country in such and such a manner and then, as soon as the legislation is passed, to their surprise and amazement it has the opposite, or the wrong effect. We see a glaring example of that today. In his concern for the livestock industry, the Minister of Agriculture (Mr. Whelan) convinced the cabinet that they should offer a subsidy of 7 cents per pound for beef sold in Canada. I am sure that his intentions were the very best and he really wanted to help the livestock industry. But his action has caused chaos and hardly any cattle have been sold in auction marts across Canada for the past three days. This was done by order in council, a short-term method by which governments can impose their will upon the people. Legislation is harder to bring in and harder to change.

I do not think members of parliament should ever be apologetic about looking at legislation which the government wants to implement. We should take the time to understand it and to explain it to the country so that the people will know exactly how they will be affected by it. That is particularly true of a bill as encompassing as this one. People and groups should be alerted so that they can seek permission to come before the committee to present their views and have some of their fears set aside.

There is no question that the development of the Department of Consumer and Corporate Affairs in recent years has brought safety measures and improvements to products offered for sale on the Canadian market. But as legislators I think we should ask if it has paid for itself. Has the safety that it has brought to the Canadian consumer cost too much? The more security, the more safety measures we have, the more difficult it is to manufacture a product and to meet government requirements.

I am sure that if a survey was sent around the food processing industry asking for their biggest complaint with government today, the first would be that too many forms have to be filled out. That is not so difficult for a firm like General Motors. They hire a lot of secretaries anyway, so I suppose they just hire one more to work for the government. But for a small concern it is pretty difficult to fill out all these forms and it adds to the cost of the product. We must make certain that consumers are going to get a fair deal and also a safe product.

I think all of us feel that Canada is one of the most fortunate countries in the world. Very few of our people are illiterate. But the higher the standard of education, the more knowledgeable the buyer should be, the more capable the buyer should be and the more able to determine what he wants to buy. If a poor product comes on the market, an educated buyer should be able to reject it and, if it does not sell, the company either goes broke or changes the product. That is the principle to which I have always subscribed. But if you have a society where 97 per

cent of the people do not have a higher education, then the government should move in and attempt to protect them from the sharp dealers, the pyramid sellers and all the rest. If you have the direct reverse, a highly educated society, I think you need less and less of this type of protection.

This bill deals with a lot of things. It has tried to outlaw pyramid selling, which I am not in favour of but I think it is a recognizable practice and people should be able to reject it. If the government wants to pass laws prohibiting it, however, I guess I would support that. We have price maintenance and a number of other things in this legislation, as well as a section dealing with amateur sports. There are many would-be athletes, many retired athletes in this House and many people sympathetic to the younger generation, who feel that we must do something to control this contracting of amateurs and younger people in our society. One could become very sympathetic toward the youth of society, but of course there is another side to the story.

There used to be only 16 teams in the NHL and many of us felt that there should be more. Many hockey players could have made the NHL if there had been more teams. Competition actually broke the close combine that operated in those 16 teams—competition and the demand for entertainment. On this continent we now have 28 professional hockey teams. I do not think the calibre of play is as good as it used to be, but certainly we must encourage a great many hockey players. Canada can be proud of its record in this sport. We are training a lot of hockey players to meet the demands of the 28 professional teams. For this training we have to build arenas, and many parents have to give freely of their time.

I see that it is six o'clock, Mr. Speaker. I should like to expound a great deal further on this bill and I hope I will be in the House when it is next debated.

Mr. Deputy Speaker: Order, please. It being six o'clock, this House stands adjourned until tomorrow at two o'clock.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 21, 1974

The House met at 2 p.m.

[*English*]

OFFICIAL LANGUAGES

TABLING OF ANNUAL REPORT OF COMMISSIONER FOR YEAR ENDED MARCH 31, 1973

Mr. Speaker: I have the honour to lay before the House copies of the third annual report of the Commissioner of Official Languages for the year ended March 31, 1973.

* * *

[*Translation*]

PRIVILEGE

MR. CAOUETTE (CHARLEVOIX)—VETERANS LAND ACT—EXTENSION OF APPLICATION PERIOD

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I rise on a question of privilege prompted by the successive and contradictory statements made by the Minister of Veterans Affairs (Mr. MacDonald) in the last few weeks. On March 7, he said to the House that he had no intention of reviewing the possible extension of the deadline applicable to the Veterans Land Act and I quote his own words:

In the circumstances, adherence to the lending deadline specified in the act will not represent a denial of benefits to any veteran.

A few lines above that, he clearly stated, and I quote:

I am of the opinion, therefore, that veterans sincerely interested in obtaining VLA benefits for the purposes contemplated by the act have had ample time in which to do so. Virtually every veteran—

I skip a bit of his speech and come to the sentence that I read a while ago.

After the non-confidence motion moved by the official opposition, the minister said, as is reported on page 434 of *Hansard* for March 12, 1974:

For many months now, together with the officials of my department, I have studied very closely the possible implications of such an extension.

And a bit further on, he added:

—I wish to further emphasize that I am quite prepared to take another look at this whole question in light of the plea made today. If, after looking at all the evidence, I can conclude that the deadline should be extended, then I would be prepared to so recommend.

Yesterday, the minister repeated this same statement in committee. Today, following a letter which I wrote to the minister on February 13, 1974, once again about the Veterans Land Act, the minister gave me the same explanations that he had given in his first speech on March 7, when he refused to consider an extension for the application of this act. Moreover, the last paragraph of the letter dated March 20, 1974 that I have received from the minister reads as follows:

I thank you for having written to me since it has given me an opportunity to review with you the various provisions of this act, and particularly to explain to you why the date of March 31, 1974 will—

There is no supposition. He says "will". This is clear enough.

—will put an end to the applications made by veterans eligible for obtaining loans to buy a property.

Mr. Speaker, I protest against such a reply which is completely discriminatory and which contradicts the statements made yesterday and on March 19 by this same minister.

I should like to obtain today from the minister either a statement or a revision of the letter which I received today, stating exactly what he intends to do, in order that he stop playing politics on this issue.

● (1410)

Mr. Speaker: The hon. member for Charlevoix (Mr. Caouette) raised a question of privilege and submitted to the House that the minister had made statements the hon. member thinks are inconsistent. The Speaker has no other responsibility than determining whether there is a prima facie question of privilege which later on could be submitted to the House in the form of a motion. I cannot conclude that the circumstances described by the hon. member for Charlevoix warrant a debate under Standing Order 17. I call the hon. member's attention to citation 113 of the fourth edition of Beauchesne's Parliamentary Rules and Forms, and I quote:

A question of privilege ought rarely to come up in Parliament. It should be dealt with by a motion giving the House power to impose a reparation or apply a remedy.

The hon. member for Charlevoix may have a grievance against the minister, but I suggest that he could raise the matter during the proceedings, either in the House or in committee, or ask an oral or written question. I repeat that I do not think the rules or practice of the House allow to settle a matter by raising a question of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

JUSTICE AND LEGAL AFFAIRS

First report of Standing Committee on Justice and Legal Affairs—Mr. Jerome.

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

[*English*]

EXTERNAL AFFAIRS

TABLING OF INTERNATIONAL AGREEMENTS ENTERED INTO BY CANADA

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to table in both official languages, as is traditional, a number of international agreements recently entered into by Canada. For purely technical reasons involving, for example, the absence of certified copies in both official languages, I am only now in the position also to table a number of agreements which entered into force for Canada some time ago.

* * *

CUT FLOWERS

SEASONAL DUMPING DUTIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity relating to the signs of spring on this first day of spring, the vernal equinox, to ask the unanimous consent of the House for the following motion:

That the Minister of Agriculture, in consultation with his colleague, the Minister of Finance, undertake a review of the regulations relating to the imposition of seasonal dumping duties against cut flowers from Europe as well as from the United States, so that the flower growers in the garden riding of Esquimalt-Saanich shall be able to continue their commercial operations so as to provide those of us who have to spend part of our lives under the snow in the east with some of the early evidences of spring, such as the daffodils which came from that riding and are available in the lobbies for all hon. members.

Some hon. Members: Hear, hear!

Mr. Speaker: I shall see whether hon. members want to declare an interest in the motion proposed by the hon. member. I hesitate to put the motion in those terms. I am sure that the hon. member, for many reasons, is counting on the support of hon. members and of the Chair in putting the motion. I will put the motion but I hope that the hon. member, despite his generosity to other hon. members, will not be disappointed if some of his colleagues on one side of the House or the other say no. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SOCIAL SECURITY

PROVISION OF PENSIONS TO INVALIDS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to discuss a matter of pressing urgency. As several social welfare schemes have flaws leading to much unfairness and as, at least in the province of Quebec, some people who did not contribute enough to the Quebec Pension Plan cannot receive disability pensions and must beg, on bended knee, for the mere pittance granted them by the social welfare department, I move, seconded by the hon. member for Villeneuve (Mr. Tétrault):

That this House study the advisability of extending to all disabled persons the right to a disability pension.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

* * *

AGRICULTURE

DAIRYING—PAYMENT OF SUBSIDY TO PRODUCERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to discuss a very urgent matter.

In view of the present precarious situation of industrial milk producers in Canada and the rise in production costs, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the Minister of Agriculture (Mr. Whelan) explain in detail to the House what procedure will be followed for the payment of subsidies to producers during the next season, in order that Parliament be given the opportunity to discuss and consider extensively the effects of this program on prices to consumers and producers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; the motion therefore cannot be put.

* * *

[*English*]

CANADA ELECTIONS ACT

AMENDMENT TO PROVIDE PERMANENT VOTERS LIST

Mr. Judd Buchanan (London West) moved for leave to introduce Bill C-265, to amend the Canada Elections Act (permanent voters list).

Some hon. Members: Explain.

Mr. Buchanan: Mr. Speaker, we were all impressed by the brevity of the recent British election which was called, contested and decided within a 20-day period. This was accomplished because Great Britain has a permanent voters list. The purpose of this bill is to establish a similar list in Canada and shorten the election campaign for the Canadian people.

Some hon. Members: Hear, hear!

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

MOTION TO ADJOURN UNDER S.O. 26

[*Translation*]

MANPOWER

PROVISION OF WORKERS FOR MAPLE SYRUP INDUSTRY

Mr. Henry Latulippe (Compton): Mr. Speaker, pursuant to Standing Order 26, I ask leave, seconded by the hon. member for Shefford (Mr. Rondeau), to move the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the problems facing maple syrup producers in this season, because of labour shortage and the possibility of recruiting the necessary workers among unemployment insurance benefit recipients.

Mr. Speaker: The hon. member for Compton has given the Chair the notice required under Standing Order 26. Having duly considered the hon. member's proposal for an adjournment of the House, I must regretfully advise him that it would be very difficult for me to set aside, as he suggests, the business scheduled for today for the purpose of considering instead the problem which is the subject of his proposed motion.

The House will recall that, last Tuesday, an adjournment motion under Standing Order 26 was moved, while a notice of a motion under Standing Order 58 had already appeared on the order paper. I concluded then that, when an opposition motion under Standing Order 58(3) has already been moved, only in the most extreme circumstances could such a motion be set aside to give priority to an adjournment motion under Standing Order 26. The same circumstances exist today, since a notice of motion in the name of the hon. member for York South (Mr. Lewis) is already on the order paper. I regret therefore that the motion moved by the hon. member under Standing Order 26 cannot be put today.

• (1420)

ORAL QUESTION PERIOD

[*English*]

INFORMATION

PROTECTION OF CONFIDENTIALITY OF GOVERNMENT COMPUTER-STORED INFORMATION CONCERNING INDIVIDUALS

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Prime Minister, Mr. Speaker. It arises out of the great concern about the confidentiality of the information the government collects from individuals. Has any directive been issued to ministers regarding the confidentiality of the information the government possesses concerning individual Canadians and stored in the government's own computers? Has the Prime Minister issued any particular directive to ministers with regard to preserving the confidentiality of this stored information?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I have not issued any particular directive though I have talked about the matter to ministers. The directives are contained in the statutes of parliament and as far as I know every minister observes them with utmost rigour.

Mr. Stanfield: As the Minister of Communications has made the statement that the government has wasted millions of dollars on computers and that he cannot guarantee the confidentiality of the information stored in them, I should like to ask the Prime Minister whether the views the minister is reported to have expressed represent the position of the government on this matter?

Mr. Trudeau: I have not seen the report of those views, Mr. Speaker, but as they are reported by the Leader of the Opposition I can say it is not the government position.

Mr. Stanfield: Since the Prime Minister has indicated that no special instructions have been issued with regard to a matter which is of very deep concern, and in view of the ease with which it seems to be possible to get this information out of government computers, I should like to ask the right hon. gentleman whether he intends to take any measures to ensure the security of information stored in the government's own computer banks?

Mr. Trudeau: I know this matter is one of great concern to the Minister of Communications. The fact that the Leader of the Opposition tells us that the minister has been talking about the subject indicates that the minister is, indeed, concerned about it and that he is studying the matter. He has not yet brought to me or to cabinet any specific recommendations, but we are anxiously awaiting his report.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary must be directed to the Minister of Communications. In view of the fact he has been expressing concern since December of 1972 and in view of the fact that anybody with $1,800 can buy and operate a piece of equipment, manufactured not far from here, with which they can dial a government telephone number and get police intelligence files and income tax returns along

with the deciphering instructions, and since these alarming facts have been known to the government for some time, I should like to know when the government intends to do something about the situation?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, first I want to say that I cannot admit the allegations of the hon. member who spoke previously because, in the opinion of all Canadian experts, who have dealt with this matter in an official report published under the title *Privacy and Computers*, there is no reason in Canada for alarm or panic as the hon. member seems ready for. As for the measures to be taken at present, this is quite a complex action. I can simply say that the government was certainly not negligent in this matter as it is generally recognized that Canada is more advanced in the formulation of a total security plan concerning computers than most other countries in the world, with one exception.

[*English*]

Mr. Lawrence: In view of the fact that on December 7, 1972 a joint statement by the minister and the Minister of Justice of that day indicated very serious concern about security leaks and the whole field of computerized data retrieval leaks and that right then the government was working on several measures to plug these security gaps, what has happened to the task force report and the very specific recommendations that the minister himself said he would be adopting immediately in respect of those matters?

[*Translation*]

Mr. Pelletier (Hochelaga): Certainly, Mr. Speaker, the answer is simple: The work went on. There are 21 groups now working under the direction of a secretariat of the Department of Communications under Dr. Von Naeyer. The activity continues. New measures are taken daily and this work is not a task that can be performed in a few months. Work has started, it is underway and will be finished soon.

As to the legal aspect, the hon. member could ask the Minister of Justice who will introduce a bill covering this matter among others.

[*English*]

POSSIBILITY OF LEGISLATION TO PERMIT ACCESS BY INDIVIDUALS TO STORED DATA TO CHECK ACCURACY AND TO PROTECT CONFIDENTIALITY

Mr. Bill Knight (Assiniboia): Mr. Speaker, my supplementary question is directed to the Minister of Communications. In view of the fact that many nations of the world whose government services store information in computer data centres have passed legislation to protect the rights of individuals in terms of this information, would the minister inform the House whether he is going to introduce legislation to allow individuals to see files kept on them in order to determine whether they are accurate, and to protect the confidentiality of that information so that corporations cannot use it in their own private business interests?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I understand that this is the general intent of a bill that will be brought forward by the Minister of Justice. I suppose the hon. member will have to wait until the bill is tabled to know exactly in what fashion these objectives will be implemented.

ACTION TO PROTECT PRIVACY IN LIGHT OF SHOWING OF COMPUTER PRINT-OUTS BY OTTAWA TELEVISION STATION

Mr. Erik Nielsen (Yukon): Mr. Speaker, my supplementary question is for the Prime Minister. In view of the statement of the Minister of Communications that we have nothing to be alarmed about, and in view of the fact that last night an Ottawa television station showed over public television copies of confidential computer print-outs on unemployment insurance claimants for the Atlantic region, thus illustrating the ease with which information can be taken out of computer data banks, would the Prime Minister take immediate steps to stop this invasion of privacy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must confess that I was not aware of this particular television program or of the invasion of privacy which is alleged. I will look into the matter but my reaction is inclined to be the same as the minister's, that I would not panic until I knew more about it.

Mr. Speaker: The Chair will recognize the hon. member for Yukon on a supplementary and then go to the second question. I appreciate that there may be further supplementaries later, and we can come back to this question. The Chair will recognize the hon. member for Yukon and then the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Nielsen: Mr. Speaker, in view of the television program last night I am afraid I am not lulled by the Prime Minister's assurance that there is nothing to panic about. According to reports by the same television station, pay cheques by the Department of Supply and Services normally issued by computer were delayed for one day by outside interference. In view of that fact, will the Prime Minister now issue a specific order to protect access to government computers when no such protection, obviously, currently exists?

● (1430)

Mr. Trudeau: Mr. Speaker, I can only repeat that I am not aware of this practice and I will look into it. I still do not think I should panic about it. I remember the hon. member alleging a couple of years ago that there were listening devices on telephones and he was not able to substantiate that. I am glad I did not panic at that time.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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

Some hon. Members: Oh, oh!

Mr. Nielsen: Hon. members opposite jeer, but those who were members of the Standing Committee on Justice and Legal Affairs know full well the inaccuracy of the Prime Minister's remarks. Members of that committee heard evidence by officials of the RCMP that well over 1,000 electronic surveillances were kept on private telephones in this country. I think that the allegation I made has been well substantiated by that evidence and by the passage of a bill outlawing eavesdropping by such electronic devices:

Some hon. Members: Hear, hear!

* * *

ENERGY

OIL AND GAS—INQUIRY AS TO DISCUSSIONS BETWEEN CANADIAN AND UNITED STATES GOVERNMENT OFFICIALS RESPECTING PIPELINES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to ask the Prime Minister whether discussions are being held between Canadian and United States government officials in respect of the formulation of an agreement covering oil and gas pipelines? Can he tell the House the purpose of these discussions and whether they are to cover existing and future pipelines? What is the general nature of them and what is the objective the government has in mind in taking part?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the general objective is one which has been stated by myself and, I believe, by other ministers, that the possibility of having an agreement or treaty which would protect both countries if they were using privileges acquired on the territory of the other is an interesting one. Beyond the general exploration of the idea, I think I can say there is no specific discussion of measures to implement that at this time. Indeed, it seems to me that the idea would be linked to the acceptance of the Mackenzie Valley pipeline transporting U.S. resources and, as the hon. member knows, this is something which has not come up before the National Energy Board yet.

NATURAL GAS—REQUEST THAT GOVERNMENT INSTRUCT ENERGY BOARD TO REVISE EXPORT PERMITS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Since the consortium which today is applying for permission to build the Mackenzie Valley pipeline on the ground that Canada will have a natural gas deficiency by 1979 is made up largely of the same companies which in 1970 persuaded the government to permit the export of 6.3 trillion cubic feet of gas on the ground that we had adequate supplies to meet all our requirements until 1995, I should like to ask the Prime Minister whether the government is prepared to instruct the National Energy Board to review and revise these export permits for natural gas, as it is empowered to do under Section 17 of the National Energy Board Act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in so far as this is a representation, I am sure it will be heard by the board. In so far as the hon. member is asking for a government directive, I will raise the matter with the Minister of Energy, Mines and Resources who will be back in Ottawa later today.

OIL PIPELINE EXTENSION TO MONTREAL—INQUIRY WHETHER UNITED STATES URGING THAT CANADA NOT PROCEED WITH CONSTRUCTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask one important supplementary question. Will the Prime Minister inform the House whether, in the discussions which are taking place between Canadian and United States officials regarding an over-all pipeline agreement, U.S. representatives have urged that Canada not proceed with the extension of the oil pipeline to Montreal?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member refers to discussions between officials on a particular question. I must confess that if his allegation is correct he is better informed than I am. I do not know and I did not answer that there were specific discussions on this specific pipeline question. I will look into the matter and if the hon. member has some information that I do not have I will ask why that is so.

* * *

[*Translation*]

CRIMINAL CODE

RE-ESTABLISHMENT OF CAPITAL PUNISHMENT—PROTECTION OF SOCIETY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Prime Minister.

Following the unfortunate events which happened yesterday to Princess Ann and her husband and since a Senate committee in the United States, by a majority vote, has recently voted in favour of restoring the death penalty, does the government intend to reconsider the death penalty as a deterrent to crime in Canada as suggested in the United States and also to prevent criminal attempts such as the one which occurred yesterday in Great Britain and which could also happen in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member probably knows that I have expressed on behalf of the Canadian people our regrets and our surprise following the criminal attempt made yesterday. However, as for the last part of his question, I must answer negatively that we do not intend to reintroduce that bill in Parliament. The legislation approved by the House is valid for 5 years and till then the government will merely administer it.

Mr. Rondeau: Mr. Speaker, could the Prime Minister tell us also whether his government intends to introduce in this House other measures to prevent crime in Canada and to protect society rather than criminals?

Mr. Trudeau: Mr. Speaker, the hon. member must have specific punishments in mind. If he cares to make me those suggestions he is thinking about, I am prepared to give them consideration.

[*English*]

CONSUMER AFFAIRS

POSSIBILITY OF FURTHER INCREASE IN PRICES OF BREAD AND MILK—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the impasse reached between the Bakery Council and the Food Prices Review Board, and in view of the statement made in Toronto today by the Bakery Council that the price of bread will go up next month regardless, what steps does the government now propose to take to prevent any further increase in the price of bread?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have just received a preliminary report, which is, of course, subject to further confirmation, and it is just the opposite of my hon. friend's remarks. I am working actively to confirm this today, and our action will follow in light of confirmed information we get today.

Mr. McGrath: By way of a supplementary question, Mr. Speaker, I might point out that the report issued today by the board indicates that its original findings were justified and that any further increase in the price of bread cannot be justified. That is a report issued today at one o'clock which the minister obviously has not seen. I ask him what action the government proposes to take to prevent any further increase in the price of bread? While I am on my feet may I also ask the minister what action the government proposes to take with regard to the finding of the board in respect of the dairy industry, and what steps it proposes to take to prevent a further increase in the price of milk?

Mr. Gray: Mr. Speaker, I do have the report of the Food Prices Review Board on bread and obviously I have read it more closely than did my hon. friend. As I said, I have received a preliminary report from the Bakery Council which indicates that its members do not intend to make increases beyond present levels unless they can make a case before the Food Prices Review Board that cost increases are such as to warrant further price increases. As I say, this is a preliminary report subject to further confirmation, and I would be happy to correct it if my information is incorrect. I think I would want to get firm and definite information as soon as possible today before giving further indication of the need for government response in this very important matter. In respect of my hon. friend's other question, the report to which he refers is not a report of the board itself but a publication of a study commissioned by the board. I know we would want to consider it very carefully.

PERIOD COVERED BY DAIRY POLICY—STEPS TO PREVENT INCREASE IN PRICE OF MILK

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Agriculture whether he has seen the report issued by the Food Prices Review Board on the dairy industry in which it recommends a five-year policy instead of the present one-year policy of the government? If so, does the minister intend to act on it immediately, and what steps does he intend to take to prevent any further increase in the price of milk in Canada?

[Mr. Trudeau.]

● (1440)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member reads the House of Commons reports from day to day to find out what goes on here. I said before that we were working on a dairy policy for ten years, not for five years. All I can say now is that I have read part of this report because it was just submitted today by the group who were asked to do it for the Prices Review Board, and I congratulate them for picking up some of the things I have been saying.

Some hon. Members: Hear, hear!

* * *

AGRICULTURE

SUBSIDY TO BEEF PRODUCERS—SUGGESTED ADMINISTRATION OF PROGRAM BY PROVINCIAL MINISTERS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the uncertainties within the beef industry with regard to the administration of the recently announced beef subsidy program, would the minister agree to have the ministers of agriculture of the various provinces administer this program for the producers in their provinces?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think that the uncertainty is rapidly disappearing. I do not doubt the capabilities of the provincial ministers of agriculture, but to make this a really national plan and to make it work in that way I think it has to be administered by the federal authority.

Mr. Towers: Would the minister clarify the statement he made that there is a possibility of the return of the surtax? Would he tell us his opinion on this?

Mr. Whelan: Mr. Speaker, in the statement I made concerning the beef industry I said that so far as I was concerned it was important that the producers get a proper return, and that the beef subsidy program we have put into effect does just that. It gives them this return and also maintains a fair price to the consumer. Until it can be proven we are not accomplishing this, we will not change our program.

* * *

AIR TRANSPORT

REQUEST FOR DISCOUNT FARES FOR HANDICAPPED

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I would like to direct a question to the Minister of Transport. Having regard to the fact that the young and people over 65 years of age get discount rates on air fares, will the minister give consideration to extending the same privilege to the handicapped who, I am quite sure, need it even more than those in the other two categories?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am ready to discuss this with the air carriers at any time. I think the suggestion has a lot of merit. I am just wondering how we can define "handicapped". I am sure some people will argue that I am handicapped.

Some hon. Members: Oh, oh!

Mr. Bell: We mean physical, not mental.

Mr. Darling: I am sure the minister is well aware what "handicapped" means. It means physically handicapped, and there are a great many of these people. Many people over 65 who are eligible for discounts are millionaires.

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PENSIONS

POSSIBILITY OF LEGISLATION TO PROVIDE GREATER PROTECTION AND ESCALATION FOR PERSONS IN PRIVATE PLANS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Is the government giving consideration to making amendments to the Pension Benefits Standards Act or to introducing any other legislation to provide greater protection for those who are enrolled in private pension plans? May I also ask him if that consideration will extend to the matter of the escalation of pensions paid under private pension plans, which is now permitted by income tax regulations but not yet implemented?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, these are some of the various elements to which we are giving consideration, and I thank the hon. gentleman for calling to the attention of the House that by reason of the new regulations escalation in private pensions can now be registered for income tax purposes.

Mr. Knowles (Winnipeg North Centre): I appreciate the fact that the minister agrees this is now possible, but will he take steps to provide in the legislation that all private pension plans must escalate their pensions, during the years of retirement, according to the rise in the cost of living?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman's first question was whether this was being considered, and of course it is being considered.

* * *

FINANCE

RESPONSE TO GOVERNMENT'S LATEST BOND OFFERING

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. Would the minister explain to the House the reasons why the government's latest bond offer of $550 million, placed on the market on Monday, has fallen flat on its face, requiring the Bank of Canada to take up most of the issue instead of the public and the chartered banks who usually do that buying? Will he also explain why he and his department so grossly miscalculated the market in this important instance?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, of course the bond market during the last few weeks softened in the United States and in Canada as a result of the hardening of interest rates in the United States. The issue has received a broad distribution and most of the issue has been sold. I have full confidence that the issue will be completely taken up.

Mr. Hees: Mr. Speaker, as the issue has mostly had to be taken up by the Bank of Canada, the minister's answer has no reality at all. Would he not agree that the real reason this issue did not sell is that the people of Canada have lost confidence in the government?

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): No, sir, and not even the speeches of the hon. gentleman shake that confidence.

Some hon. Members: Hear, hear!

* * *

COMBINES

ALLEGED PRICE FIXING BY B.C. CEMENT COMPANIES—INVESTIGATION THEREOF

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs regarding combines investigations. Last week he made a statement in the House that he would discuss the possibility of an inquiry into the British Columbia cement industry with the Minister of Justice. Has he had that discussion and will there be an open inquiry into the cement industry in British Columbia?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have not had an opportunity to do so yet, but I will be happy to report to the hon. member on the result of this discussion.

Mr. Reynolds: In view of the fact it has been reported that one small cement company in the Fraser Valley cannot buy cement in the province and has to go to the United States for supplies, will the minister please speed up his discussion with the Minister of Justice so that we can get on with an inquiry into this situation?

Mr. Gray: Mr. Speaker, I would like to ask the hon. member to ask his friends to speed up consideration of Bill C-7 so that practices such as refusing to deal can be dealt with by law.

Some hon. Members: Hear, hear!

[*Translation*]

THE MINISTRY

NATURE OF POSSIBLE CHANGES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I want to ask today about the question I asked the right hon. Prime Minister a few days ago concerning the appointment of ministers.

Did he tell a journalist outside the House that he considered seriously appointing New Democratic Party members as ministers to form a popular liberal socialist coalition government?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I told a journalist that the answer I had given in the House should be considered seriously. I remind the hon. member that if he reads *Hansard,* he will see that I have also offered the Progressive Conservative member for Brome-Missisquoi and other members of the same party who have a liberal mind to join us, thus we could form one party—

* * *

[*English*]

GRAIN

FEED GRAIN—POLICY RESPECTING MARKETING

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I should like to direct a question to the minister responsible for the Canadian Wheat Board. In view of the government's intention to throw domestic western farm feed grains totally on the open market, does the government intend to modify its policy in view of the expressed request of the majority of farm organizations that the Canadian Wheat Board remain the sole marketing agency for western feed grains and that there be a guaranteed initial price for all feed grains?

● (1450)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the opening statement of the hon. member is not quite accurate and I do not want to seem to be endorsing it. The fact is that a good number of organizations have expressed themselves on both sides of the feed grains question, which is specifically the reason for the period of discussion we initiated with our announcement on August 3. It was significant that the Canadian Federation of Agriculture expressly avoided arriving at a conclusion on the issue because of the known division among farm organizations on the subject. It is our continued objective to ensure that there be equitable pricing and movement of feed grains across the country on a one market basis. We are working toward that program but of course we are taking into consideration all suggestions with regard to specific details of the program so that, as usual, we can introduce a program that best serves the interests of all Canadians.

Mr. Nesdoly: Since the government of Manitoba is presently conducting a survey or plebiscite to find out if the farmers of Manitoba want all feed grains marketed through the Canadian Wheat Board, will the minister tell the House whether his final decision will be influenced by the result of the plebiscite since he believes in plebiscites and going by the wishes of people who vote in plebiscites?

Mr. Lang: Mr. Speaker, I appreciate the compliment from the hon. member about my interest in taking note of people's views. I take it he is complimenting us on the manner in which we conducted the rapeseed poll.

Some hon. Members: Oh, oh!

An hon. Member: No. You have it all wrong.

Mr. Lang: I hope in contrast, he does not seriously elevate to the level of a plebiscite the cheap partisan politics being played by the government of Manitoba.

Mr. Hellyer: Oh, oh, there is the old coalition broken up.

Mr. Bell: Don't forget Tuesday night!

* * *

[*Translation*]

CRIMINAL CODE

ABORTION—PUBLICIZING OF CLINICS IN NEWSPAPERS

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I would like to ask a question of the Minister of Justice.

Last year I asked him the following question:

Is the minister aware of advertisements in the press inviting pregnant women to get a legal abortion in Montreal or at low cost in New York clinics? If so, has the minister made any inquiries to determine whether this is contrary to the provisions of the abortion legislation?

The minister had then replied that he was going to look into the matter. Can he tell me if there is any new development in this thorny situation?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is a subject which was discussed among Attorneys General at a meeting last May. The matter is not very free from doubt as the law now stands. If the law as it does stand is to be tested or enforced, that is specifically the responsibility of the provincial Attorneys General who must initiate proceedings under the Criminal Code.

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INFORMATION

RETURN TO CANADA OF INFORMATION ABOUT CANADIANS NOW STORED IN UNITED STATES—INTRODUCTION OF LEGISLATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is a supplementary to the Prime Minister with respect to the question raised by the leader of my party. Noting that the task force on privacy and computers, 1972, stated that "A great deal of personal information about Canadians, much of it highly sensitive, is stored beyond Canadian borders and therefore out of reach of Canadian law", and noting the abuses that have been referred to in the House today, would the Prime Minister personally intervene to see whether steps can be taken to

return personal and confidential information about Canadians now in the United States, to Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am delighted that the hon. member is catching up with government policy. If he reads the Speech from the Throne he will see that we indicated action precisely in this area.

Some hon. Members: Hear, hear!

Mr. Baker: Mr. Speaker, I should like to direct a supplementary question to the acting government House leader. Can he tell the House when he is going to introduce the rather important piece of legislation to which the Prime Minister has called attention?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the legislation is not yet ready and therefore it is difficult to indicate a specific date for its introduction, but it will be discussed further.

An hon. Member: Like the whole throne speech.

Mr. Speaker: Order, please. I would remind hon. members at this point that there are about four minutes left before the end of the question period and if hon. members want to ask further supplementaries that will take us to the end of the question period.

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HOUSING

REQUEST FOR PUBLICATION OF REPORT ON CO-OPERATIVE COLLEGES AND CORRESPONDENCE RELATING TO GRANTS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my supplementary question is for the Prime Minister. At the same time as the Prime Minister is taking steps to safeguard private and confidential information stored in the United States referring to Canadians, would he undertake to make available to the Canadian public the report on the co-operative colleges prepared by Central Mortgage and Housing Corporation and other correspondence to and from the government in respect of grants and other allocations from the government which for generations have been considered as public information and which are now being withheld by this government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall gladly look into the matter.

* * *

TRANSPORT

SOURCE OF MINISTER'S INFORMATION FOR STATEMENT RAILWAYS LOSE MONEY HAULING WHEAT

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is directed to the Minister of Transport. In view of the statements made by the minister in recent days that the railways lose money in hauling wheat, I should like to ask him what source this information comes from in view of the fact no document has ever been published by the railways proving that they lose money in hauling wheat?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there are two sources of information, one coming from the department and another coming from the railways. If the hon. gentleman wants me to check more closely I shall be happy to do so.

An hon. Member: Table it.

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ENERGY

MINISTERIAL RESPONSIBILITY FOR EVALUATION OF MACKENZIE GAS PIPELINE—POSSIBILITY OF ADDITIONAL HEARINGS TO THAT BY ENERGY BOARD

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Prime Minister. Can he tell the House who in his cabinet has been assigned the over-all responsibility for the government's evaluation of the Mackenzie gas pipeline, and has he issued any new and specific directives to that minister as to the manner in which the government will assess this immense project?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I apologize to the hon. member. The hon. member for Prince Edward-Hastings was talking so loudly that I could not hear the question.

Mr. Hees: Pay more attention! I was not talking to you.

Mr. McKinnon: Mr. Speaker, I thank the right hon. gentleman for his apology. Can the Prime Minister tell the House who in his cabinet has been assigned the over-all responsibility for the government's evaluation of the Mackenzie gas pipeline, and has he issued any new and specific directives to that minister as to the manner in which the government will assess this immense project?

Mr. Trudeau: Mr. Speaker, there are several ministers implicated—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: That is a good word.

An hon. Member: Why did you not say "indicted"?

Mr. Trudeau: —as I indicated earlier in the House. The Minister of the Environment is responsible for his aspect of the question. The Minister of Indian Affairs and Northern Development, who of course would have jurisdiction for the territories, is involved, and of course so is the Minister of Energy, Mines and Resources. They have formed a committee and the spokesman, depending on the particular aspect of the subject, will be one of those three ministers and, if there is any doubt, it will be myself.

Mr. McKinnon: Mr. Speaker, I thank the Prime Minister but perhaps he could clarify it a little bit for the benefit of the House and the nation. Does the government feel that the National Energy Board as currently con-

stituted provides an adequate means for evaluating this project, or is the government planning separate hearings by the Department of the Environment, the Department of Finance and the Department of Indian Affairs and Northern Development?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, under the act the National Energy Board has definite powers in the enforcement of certain measures. The Department of Indian Affairs and Northern Development, under its responsibility regarding lands in the territories will soon set up a special inquiry board which will be asked to study the economic and social aspects of such a project for northerners as well as environment problems which will arise in the Yukon and the Northwest Territories. We intend to appoint a judge to undertake an early inquiry.

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[*English*]

COMMUNICATIONS

CABLEVISION—RESTRICTION ON EDMONTON VIDEO LIMITED

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Communications. The *Canadian Radio-Television Commission* granted a licence to Edmonton Video Limited to establish a third English language television station, CITV, in Edmonton, Alberta. In view of the fact the commission requires that station KREM, Spokane, Washington, not be distributed by the licensee until one year after the commencement of broadcasting by CITV, do my people have to move to Vancouver, Victoria, Montreal, Oshawa or Hamilton in order to find a choice of television channels? What is the purpose—

● (1500)

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker—

Mr. Paproski: Mr. Speaker, I had not finished. Go ahead.

Mr. Pelletier (Hochelaga): Mr. Speaker, I was about to say to the hon. member that, whether he is a spiritual guide or temporal guide of his constituents, does not concern me personally. I wish to add that restrictions on cable did not happen only in Edmonton but happened in various other places throughout the country for reasons which have to do with the economic viability of the Canadian stations in the various capitals. I cannot reasonably say any more in the time allowed for an answer in the question period, but that is the basic reason.

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PENITENTIARIES

ESTABLISHMENT OF PSYCHIATRIC SERVICES—GOVERNMENT POSITION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Solicitor General. In view of the fact that more and more sentences by our courts include recommendations for psychiatric treatment for those convicted, and in view of the fact that most federal inmates are not getting adequate psychiatric treatment before parole, what measures is the minister now taking to meet this ever-growing crisis?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we are setting up five regional medical and psychiatric centres across the country. We have already set up three of the five. We hope to start two new ones this year, one in Saskatoon and one in the Maritimes. I might say that we are having difficulty engaging a sufficient number of psychiatrists for the positions we now have available. It is very difficult to get them to work in our service.

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LABOUR RELATIONS

DISPUTE BETWEEN SEAFARERS' UNION AND LAKE CARRIERS ASSOCIATION—REQUEST FOR REPORT ON EFFORTS TO SETTLE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I want to ask a question of the Minister of Labour, one of imperative and immediate necessity for consideration. As the Great Lakes shipping season will open five days earlier than the normal date, April 1, and as it is imperative that the strike on the part of the Seafarers Union should not be permitted to take place, will the minister say what action he has taken since he gave a general report yesterday and the day before to assure a settlement between the employers, the 17 shipping companies, and the union, because, with wheat piling up, it is important that action be taken and that there be no delay in shipments through the Great Lakes?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as I indicated to the right hon. gentleman before in the House, the government is well aware of the very serious consequences if this strike is not settled. Having said that, I would assure the right hon. gentleman that everything possible is being done in order to resolve this dispute. That includes efforts by our very experienced mediators in my department as well as private contact by myself with the parties.

Mr. Speaker: The Chair recognizes the right hon. member for a supplementary and then the hon. member for Huron, after which the Chair will have to call orders of the day.

Mr. Diefenbaker: Mr. Speaker, now that the minister has given a report to the House, would he say whether he is satisfied with the progress so far made in the negotiations and with the contribution made by his department? Is he reasonably sure that there will not be a strike, as a strike today would mean a K.O. to the western wheat market abroad and to the farmer?

Mr. Munro (Hamilton East): Mr. Speaker, without intentionally trying to be technical on this matter, I suggest that there is actually a strike on at the moment, although not very many men are involved. I think the

right hon. gentleman is aware of that. As to whether I am satisfied, of course no one is satisfied until the strike is actually resolved. I can only say that I do not believe any alternative action at the moment would be more satisfying either to the government or the House than the course we are presently following. Talking about any type of legislation at this point would, I think, only exacerbate the matter and not bring beneficial results for the western wheat farmer or anybody else.

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SPORTS

ESTABLISHMENT OF CAMP TO TRAIN ATHLETES FOR OLYMPICS—SUGGESTED USE OF ABANDONED CANADIAN FORCES BASE AT CLINTON, ONTARIO

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Acting Minister of National Health and Welfare. Last Saturday night the minister said that athletes training for the 1976 Montreal Olympics may have the use of a national multisport training camp before the year's end. As the Canadian Armed Forces base at Clinton, Ontario, was closed and as the Prime Minister suggested that federal assistance would be considered before any of these bases were closed, and it has not been forthcoming, would the minister consider the establishment of such a multisport training centre for the Montreal Olympics at that location?

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I will take the representations made by the hon. member to the Minister of National Health and Welfare and he will respond in due course.

Mr. Speaker: I apologize to the number of hon. members who were anxiously waiting for the opportunity to ask questions. We have already gone some five minutes beyond the question period in an attempt to recognize two or three additional members. I have tried to note which hon. members have been trying today and yesterday to ask questions, and I will attempt to give them priority tomorrow. I apologize for not having been successful in recognizing them. Orders of the day.

Mr. McGrath: Mr. Speaker, I rise on a point of order. In his reply to me regarding the report of the Food Prices Review Board and statement regarding bread prices, the minister misled the House out of ignorance. Obviously, at that time he was not acquainted with the contents of the report. I assume he is now acquainted with the contents and I expect that the minister would want to rise in his place and correct the record.

Mr. Gray: Mr. Speaker, I think my hon. friend should indicate in what particular instance he thinks I have given the House inaccurate information.

Mr. Speaker: Order, please. Perhaps there might be consultation between the minister and the hon. member. That might be the easier way to resolve the difficulty which seems to have arisen out of the questions and answers earlier in the question period.

Mr. Neale (Vancouver East): Mr. Speaker, I rise on a point of order. On March 15, I directed a question to the Parliamentary Secretary to the Minister of Transport, as the minister was not in the House that day. The parliamentary secretary assured me that I would receive the answer to my question on last Monday. As I was not in the House on Monday, I wonder whether the minister has had a chance to look at the question and has the answer ready for me.

Mr. Marchand (Langelier): Mr. Speaker, I will have to inquire. I do not know to which question the hon. member is referring.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order arising from the fact that throughout yesterday's question period I attempted to put a question to the Minister of Labour. Having failed in that, I spoke to the minister after the question period and, to my surprise, found that Mr. Perry, who had been commissioned to examine accident and safety conditions in the Devco mines, had after nine days, I think he said, given it up as a lost cause. He is now available in the capacity of adviser. If Mr. Perry needed assistance, I would ask the minister why he did not contact the mine examiners who are under the minister's jurisdiction and the shot firers who are responsible for safety in the mines for the assistance he apparently needed. Will the minister report to the House on Mr. Perry's failure to do so?

Mr. Munro (Hamilton East): Mr. Speaker, since the hon. member has referred to his private conversation with me, I believe he would agree that I told him I would look into the matter and he indicated he would be kind enough to put it in writing. He has not done so; I have not received anything in writing. I indicated to him at that time that I would be pleased to look into the matter and he seemed to be satisfied with this procedure.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege. When the minister requested that this matter be put in writing, I informed him that I had been three weeks without a secretary. It does no good to call the pool. I told him I would explain the situation to him, which I did. I told him that because I was without a secretary it was difficult to correspond, and I had other obligations with which I could not comply. I asked him why Mr. Perry quit after nine days without even contacting the examiners who are responsible for safety, and I asked him if he would report to the House as to the reasons for this happening. He did not do so.

Mr. Munro (Hamilton East): Mr. Speaker, Mr. Perry, and I believe the hon. member and others in the opposition would want it no other way, wanted to be unfettered in the way in which he proceeded with the investigation so that no charges would be made about his being under governmental control. It is completely within the ambit of his authority—

Mr. Speaker: Order, please. May we have order, please.

Mr. Munro (Hamilton East): —and the hon. member's question—

Business of the House

Mr. Speaker: Order, please. The hon. member rose on a point of order and he rose on a question of privilege. To my mind there was neither a point of order nor a question of privilege. After the expiry of the question period, the hon. member asked a question. He claims the floor again on a question of privilege. I will, of course, hear him.

● (1510)

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege on behalf of examiners in Cape Breton who are under the minister's jurisdiction. The minister made an accusation against members of his own department. He said that Mr. Perry did not want to be restricted. Is he to be restricted if he is contacting men under the minister's jurisdiction working on the question of mine safety?

Mr. Speaker: I again suggest to the hon. member and the minister that this matter might be pursued some other way. It should not be discussed or debated under the guise of a question of privilege. The Chair has called orders of the day. I apologize to the House. Apparently we are still on points of order.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, I rise on a point of order to ask the government House leader the Thursday question about business of the House. We all know that the next four days, including today, are designed for the completion of the allotted days. Can the government House leader give us an idea of priority items after that so we can be thinking about them?

Mr. MacEachen: Yes, Mr. Speaker. On Wednesday next we will deal with the competition bill. This will be followed by CNR financing, export development and fisheries development. I ask the hon. member to now tell us his subjects for the next four days so that we can be thinking about them.

Mr. Bell: We will have lots of surprises.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. The open negotiations among House leaders a few minutes ago had to do with a possible change in time limits with respect to the speeches in today's debate. I think Your Honour will find there is agreement among the four parties to modify Standing Order 58(13) for today in these terms: The mover of the motion to have 30 minutes, the principal speaker for the government to have 30 minutes, the first speaker for the Progressive Conservatives to have 20 minutes and the first speaker for the Social Credit to have 20 minutes. Everyone else is to have 15 minutes and there are to be no extensions. I think Your Honour will find that is agreed to by all parties.

Mr. Speaker: Is this agreed?

[Mr. Munro (Hamilton East).]

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—SUGGESTED NEED FOR NATIONAL TRANSPORTATION POLICY, NATIONALIZATION OF CANADIAN PACIFIC AND APPOINTMENT OF CONTROLLER

Mr. David Lewis (York South) moved:

That in the opinion of this House all forms of national transportation should be integrated as a public utility to serve Canada's transportation needs instead of being governed by considerations of competition and profit so that Parliament can deal effectively with freight rate discrimination, rail line abandonment, insufficient railway equipment, inadequate rail passenger service, and urban and northern transportation;

This House is further of the opinion that to this end the Canadian Pacific Railway, including its subsidiaries, should be brought under public ownership and that both national systems should be under full public control;

And, further, in order to meet the present emergency in the movement of grain and other products, this House is of the opinion that the Government should consider the immediate appointment of a transport controller with full authority to allocate and control railway rolling stock.

He said: Mr. Speaker, it seems to me that the Minister of Transport (Mr. Marchand) must be the envy of his colleagues in the cabinet. Who else among them could have risen in the House and outside the House to say that the national transportation policy is disastrous and, indeed, that there is no national transportation policy and be praised for it by editorial writers and commentators? That is why I say I imagine he is the envy of his colleagues. They could not get away with that. It was because of the minister's charm and transparent honesty.

Some hon. Members: Hear, hear!

Mr. Lewis: I do not begrudge the minister the praise which he has received. He at least had the courage to admit to the people of Canada that the present transportation policy in this country is a failure. However, I want to emphasize that in my view the people of Canada ought not to be beguiled by this honest and frank confession by the minister. The people of Canada have to remember that it was a Liberal government in 1966 and 1967 which proposed this policy which the minister now finds to be a failure. Indeed, this minister was a member of the government at that time. I cannot imagine otherwise than that the policy presented by the Hon. Mr. Pickersgill to the House at that time was one that was carefully studied and discussed by the whole cabinet in view of the importance of transportation to Canada. This minister, like other members of the then government, and most of them are still on the treasury benches, must have subscribed to the principles of the act presented at that time.

The people of Canada must also remember and not be beguiled by the minister's frankness, desirable and admi-

rable though it may be, that the policy has been administered by a Liberal government since it was introduced. For the past five or six years it has been administered by this government. Finally, they must remember that this minister has been minister of the department for about a year and a half. While it is refreshing and encouraging to find the minister admit the failure of the national transportation policy—encouraging because it at least indicates that a really serious look is being taken at that policy in view of the minister's admission—I just want to say that it is impossible for me and the people of Canada to wash the Liberal government since 1967 clear of any responsibility, (a) for the policy which was a disaster and, (b) for the disastrous implementation of that policy since 1967.

I put this motion on the order paper because the minister informed the House and the country that the full policy is now being discussed within his department. That makes me uneasy. As far as I know, he is surrounded by a good many of the same people who were responsible for the policy introduced in 1966-67. I only hope they have seen the same light the minister has seen, have the same illumination he has evidenced and the same conversion that he has talked about. I hope the discussion inside his department will not be the kind of frustrating effort that I am worried about because, I repeat, many of the same people will be doing it.

Because of that it seemed necessary that this House of Commons discuss this very important subject at the earliest opportunity. Not that we will be able to solve it. My colleagues and I do not claim to have the in-depth knowledge that is necessary to solve every part of this very vexing and complex problem. However, it will give us an opportunity to discuss the general principles which ought to underline a national transportation policy.

I did not have the pleasure of hearing the minister's speech on March 7. However, as I read it, the Minister of Transport suggested there had been no objection to the principle of the bill which forms the basis for the present national transportation policy. I looked up *Hansard* because I had vague memories about objections voiced by my then leader, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), and by myself as a matter of fact. I should like to read from the statement made by the hon. member for Nanaimo-Cowichan-The Islands on September 2, 1966, as recorded at page 8044 of *Hansard* just so that the minister knows there were some people in this House who were very strongly opposed to the basic principles that underlay the bill they were putting through and which is now the law of Canada. The hon. member said:

● (1520)

The fact is, Mr. Speaker, that I do not believe that free enterprise and the competitive system of transportation can give Canada an adequate transportation policy at a price we can afford. There may be countries where they can afford to have all sorts of free enterprise and competition; different forms of transportation and different companies competing with each other, duplicating services. However, in a country of 20 million people where, as I said before, we are more dependent than probably any country in the world on getting our goods to market over long distances at competitive prices, where we spend more per capita on transportation than probably any other country in the world, I do not think we can afford the luxury of having a free enterprise, competitive transportation policy.

Those are the words of my colleague, the leader of this party on that day. Toward the end of his speech at page 8046 he said these words which seem to me to be relevant:

I am convinced that this government or the government that succeeds it will find that in a few years this transport commission, because of its lack of power and authority, will not be able to solve the problem. If the house does not at this time give that commission some power and put some teeth into the bill, then some subsequent parliament will be compelled to do so, after we have lost valuable years and very large sums of money.

Mr. Speaker, if ever I heard a prophetic statement, in view of the minister's admission of failure, that certainly was one. On January 27, 1967 I participated in the debate on third reading of the bill and said things along similar lines. It was the New Democratic Party which at that time, when the bill was first introduced in Parliament and thrust on the people of Canada, said that a transportation policy based on competition, profit and on the principles of free enterprise would fail. Both my colleague and I emphasized in the speeches, to which I referred that the result of that policy would be great hardships on the prairies, on northern Ontario, on northern Quebec, on the northern part of Canada and on the Atlantic provinces and that it would interfere with the development of secondary industry in all these underdeveloped parts of Canada. We saw that not because we were more intelligent or brighter than other people but because we were not prisoners of the free enterprise fetish that controls the Liberal and Conservative Parties. Because of that we were able to see the consequences of the kind of policy that the Hon. Mr. Pickersgill introduced in this House and pushed through this House. Later, when the policy became law, he was able to leave us and take up the chairmanship of the commission. Ever since Mr. Pickersgill became Chairman of the Canadian Transport Commission Canada has suffered without end in the transportation field.

In the time available I want to indicate some general lines which ought to guide us in the development of a transportation policy. I do not expect, although I hope, all my suggestions on behalf of my party will be accepted by all members of this House, but in my view they are basic to any really relevant and effective national transportation policy.

First, Mr. Speaker, I suggest to members of the House and to the minister that we must pass laws, take action and have policies that will make transportation a public utility. A transportation policy for Canada must not be controlled by the principles of profit and by the alleged principles of competition in this society. That does not mean that the transportation system has to lose money. There is no reason for that. The transportation systems have always made money. It does mean, however, that the transportation system in Canada must serve the needs, both national and regional, of the people of this country, sometimes without regard to profit and never governed by the profit motive so far as service is concerned.

I shall have something to say about the Canadian Pacific a little later, but let me deal very briefly with a number of the problems with which the minister is now faced. There is a constant fight against the Crowsnest Pass rates, particularly by the CPR. As I Informed the House in my speech of January 27, 1967 I had occasion over a number of years to act on behalf of some railway unions on a number

of occasions. Every time I was in that situation I heard the CPR at that time, through the man who is now president of the CPR, Mr. Ian Sinclair, tell the board and the unions how the CPR was losing money through loading and carrying grain. They used to calculate it into tens of millions of dollars or hundreds of millions of dollars over the years. I remember saying that if they were telling the truth then the CNR and the CPR ought really to be bankrupt instead of being very effective organizations, particularly the Canadian Pacific. The objection to the Crowsnest Pass rates and the calculations they make always are based on comparing the cents per ton mile that they get for carrying grain with the cents per ton mile that they get for carrying those commodities for which they charge much higher rates. That is a pretty false way to tell us they are losing money. That is why I do not accept the statement of the railways, repeated the other day by the minister, that the railways lose money carrying grain.

Sure, they do not make as much money carrying grain as carrying other commodities, but it is their duty to Canada to carry this grain at the Crowsnest Pass rates. Furthermore, when I study the history of the CPR in this country and transportation generally-I have not bothered to look up the details but I have a vivid memory of them—I find that when the agreement for the Crowsnest Pass rates was made with the railways the CPR received additional millions of dollars and additional millions of acres of land as a quid pro quo which enabled this outfit to become one of the largest economic empires in this country. But they forget what they got from the people of Canada and object to the Crowsnest Pass rates. If any one gives in to the CPR on this issue we will have betrayed not only the interests of the farmers in the west but also the interests of all the people of Canada.

● (1530)

The policy which Mr. Pickersgill shoved through parliament in 1967 gave the railways the possibility of entering upon a plan for wholesale rail abandonment. The consequences were disastrous for many communities. Of course, the railways could prove that certain routes, certain bits of line in various parts of Canada were, in themselves, unprofitable. In a country the size of Canada where only 22 million of us are scattered across an entire continent, a relatively smaller population being in the northern regions, of course there are railways lines which are unprofitable and which always will be unprofitable. But that should not be the only reason for permitting a course which not only takes away an essential service from people who deserve it but which has sounded the death knell for many communities.

I honestly sympathize with the minister because of the situation in which he now finds himself. He has to come before parliament, as well as tell the nation on radio and television, to say that there is not enough rolling stock to move all the grain and carry all the other bulk commodities, particularly from the west and from the north, which need to be delivered. And why? Because the railways have decided they can make more money in other ways than by purchasing hopper cars or whatever other cars are needed to serve the Canadian economy. Sir, the railways of this country were created by the people of this country and they ought, by law, be made to provide adequate rolling stock.

Some hon. Members: Hear, hear!

Mr. Lewis: Everybody in this House is aware of the anomalies and discrimination which exists in the freight rate structure. I shall not take any of the relatively short time available to me by citing examples. I am sure that other members of my party, and other members of the House, will do so. But everybody knows how much cheaper it is to ship steers to central Canada than it is to ship processed meat. Everybody knows how much cheaper it is to ship rapeseed rather than rapeseed oil, how much cheaper it is to transport unprocessed raw materials from the north than it is to transport processed goods. This freight rate policy on the part of the railways means they have added another almost insuperable obstacle to the development of secondary industry in precisely those parts of Canada which require it most.

All these difficulties which the minister faces result, as he correctly states, from the fact that competition has never been possible as a basis for national transportation policy. Indeed, profit-making is immoral when applied to national transportation policy in a country such as Canada where transportation, just as much as energy, is the lifeblood of the economy. So my first point is this: we must consider the introduction of a policy which regards transportation as a public utility concerned not with alleged competition but concerned with costs and expenses and with profit only in the sense that it should make enough money to enable it to purchase new equipment and buildings, keep the track in repair, carry out necessary renovations, and so on. All these things cannot be done unless a surplus is earned by the transportation system and no one is suggesting that this should not be a consideration. But the profit objective must be an overall objective for the entire system, not something related to one particular part of the line or to a particular commodity at the expense of the interests of the people of Canada.

We ought not to tolerate a system which denies people a reasonable passenger service. I do not travel by train very often nowadays, but on occasions I do so. I have travelled both on Canadian Pacific and on Canadian National. Neither one is better than the other. The CP is just as bad as the CN and the CN is just as good as the CP. Each is doing everything it can to discourage travellers. If passengers wish to eat on the train in some parts of the country they get a stale sandwich, almost unpalatable and certainly indigestible. The whole atmosphere of the railway cars as well as the service provided is aimed at deliberately discouraging the use of the facilities. What are the railways for? We are making a very grave mistake, it seems to me, because as the minister has indicated, either in one of his answers in this chamber or in a statement made outside the House, developments are presently taking place affecting air travel and other forms of air transport which might well result in rail transportation becoming a great deal more desirable than it has been in the last few years.

I cannot end this part of my comments without expressing my horror at the number of accidents which have occurred on the railways. I expect one of my hon. friends will be dealing with this subject later, if he catches your

eye, Mr. Speaker. The CTC has produced a report on this subject. There is no doubt in my mind that one of the reasons for these accidents, and probably the main reason, is the failure of the railways to take proper care of the tracks. This is another way of showing a profit, another way of making money. In this case it is done at the expense of the welfare of Canadians and, sometimes, at the expense of lives.

The second point which the government should keep steadily in mind when considering a national transportation policy is that there must be an integrated national system. We can no longer talk about rail separately, or air transport separately, and so on. There must be an integrated system under which duplication is limited as far as possible, one which recognizes that the so-called competition is a sham. Who is competing with whom? The CN, as well as CP, now controls not only a railway but an air line, shipping, and trucking enterprises. The CP is already in the pipeline business and I gather from the Minister of Energy, Mines and Resources (Mr. Macdonald) that the CN is also going into pipelines. They are into every form of transport in this country. So who are they competing with, except themselves?

Mr. Peters: And when necessary, they join hands.

Mr. Lewis: Yes. When necessary, they join hands. They agree on rates in many cases. It is meaningless to talk about competition. When one considers the present national transportation policy based on the false concept of profit-making, we realise, to use the words of Pierre Berton, that the national dream has, in this country, become a national nightmare, particularly for the Minister of Transport. And I sympathize with him, though I wish that he and his colleagues who preceded him had shown the wisdom to draw attention a great many years ago to the disastrous effects of the course upon which the government embarked in 1967.

It is in this context we propose that Canadian Pacific Limited be brought under public ownership. When I say this, I am talking not only about the rail operation, I am talking about the whole shebang—

Some hon. Members: Hear, hear!

Mr. Lewis: —the entire economic empire which they built as a result of Canadian grants. Everybody knows the history, and if they don't, they should. Everybody knows about the millions of dollars, the hundreds of millions in grants and subsidies which the Canadian people have given the CP, the millions of acres of land. As a result of these gifts from the Canadian people, CPR not only owns an airline, a shipping line, a trucking line and a telecommunications network, but a large complex in Trail and in other parts of British Columbia, Cominco, the Pine Point mine in the Northwest Territories, other properties all over the country through another subsidiary, and an oil company. Despite the earnings and the profits that these subsidiaries make, every time CPR is questioned about its railway, it says, "You cannot look at profits that we make anywhere else but only at the profits we make from the railway". My answer to Canadian Pacific is that they are making money out of other subsidiaries because the Canadian people enabled them to build a railway, and those profits belong to the people of Canada.

● (1540)

I urge that we bring the CPR under public ownership. I say this not for doctrinaire reasons—though I will doubtless be accused of that—but because of my conviction that it is impossible to develop an integrated national transportation policy and let CPR remain in private hands. If CPR remains a private corporation concerned with making more and more profit, then it will continue in the future, as in the past, to sabotage—I do not use that word lightly but quite deliberately—every attempt to achieve a national transportation policy that seeks to serve the interests of Canada and not the profits of the CPR.

Fourth, I suggest that the government or an agency of the government, whether the CTC or some other body, must have the power to oversee and control investments of transportation companies so as to make sure they get sufficient rolling stock, take sufficient care of their roadbeds, and do all the other things that are necessary to maintain a decent and adequate transportation system.

Fifth, I urge that the government, or an agency of the government, must have real control over freight rates that serve national and regional interests and assist, rather than obstruct, the development of secondary industries in the parts of Canada that require them so badly.

Finally, I urge that the government should appoint immediately a freight controller, not only to meet the immediate emergency in regard to the movement of grain and other bulk commodities, but on a permanent basis to make sure that the railways provide the necessary rolling stock to meet the requirements of our import and export trade and needs of the Canadian people, rather than serve the interests of the CPR, or even the CNR.

There is no doubt that no other country in the world is so dependent on transportation as Canada. This is why we built the Canadian Pacific Railway. It is why we took over bankrupt railways and formed the Canadian National Railways. We realized the importance of a transportation system for the future wellbeing of Canada. The only policy that will serve the interest of Canadians for generations to come is an integrated policy that places all the major transportation systems under public ownership and control, a policy that is governed by those interests, not only national but also regional, that the Canadian people require to be met and fulfilled.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am well aware that I am not in an easy position, even if the hon. member for York South (Mr. Lewis) made a long statement at first, that I believe to be a very honest one, saying that he agrees with the criticisms I made, but has grave doubts about whether I can follow up on them or revise them.

If I had not made these criticisms, I would obviously be accused of not having made them and of neglecting my duty. Anyway, I think that the rule of the game in Parliament as in court is that you should not try to prove yourself to the witnesses of your opponent. However, I do not hold this against him, because I find that I am not in

complete disagreement with any of the ideas contained in the resolution of the New Democratic Party.

Of course, Mr. Speaker, I find some of these ideas too general. As a matter of fact, the hon. member left himself an opening in his statement, and I believe that he was right to do so. He does not wish to make political gestures which would only be doctrinary and which would refer, if I may say so, to a somewhat outmoded form of intervention by the state.

Indeed, I have heard the same thing said by the British Columbia, the Manitoba and the Saskatchewan premiers. All three make this distinction at all times and I think that they are right. I do not blame them at all.

Of course, we agree on most criticisms. I have made an overall criticism, not to get the attention of the reporters, but to stir up enough attention that those problems might be solved. As we know, some problems are not solved unless the public is mobilized enough to force those in my trade to study them seriously. Otherwise, they are never solved.

And so, I did not do so to attract attention, nor to get into the limelight, Mr. Speaker, but because I think the problem is serious. In my speech, in this House or outside, I did not make a complete analysis of the transport system in Canada. Of course, some things are working very well in the field of transportation. Everything need not be demolished and built up again from scratch. Clearly, when one wants to go from Montreal, or Toronto, to Vancouver the service is excellent. Trains on certain lines are operating quite nicely.

Usually, they operate well when the corporations make profits and on this point I agree with the New Democratic Party. As soon as they incur losses, they are inclined to neglect train repairs, for example, so that means of transport becomes unfit. People are disgusted and do not dare use it.

However, when we consider how subsidies are granted, we realize that we pay, if I am right, some $100 million a year to the railway companies to maintain passenger trains. However, the corporations are not entitled to use one cent of those $100 million to get new equipment. That amount is solely used to cover what are called operating deficits.

Evidently, they are not interested in reinvesting. The cars, the rails are deteriorating and as stated recently, there are even some bridges which fall down and are not rebuilt.

We are therefore in a situation where passenger trains, which are more and more essential to this country, cannot be of any service to the population. Obviously I am accused and we are accused collectively of not thinking since 1967 about redrafting this law. It includes many extremely simple principles and I believe that this has helped solve many problems.

But this left us with large problems on our hands, in other words we thought, and there I do not exclude or excuse myself as indeed the first time in the House, that through competition, between railways, trucks and boats, we would get a near perfect system, which unfortunately did not happen because in certain areas there is no competition.

● (1550)

[*English*]

You will make your speech in a few minutes, but I am referring to one aspect. Maybe I will agree with you that in certain cases we have not used the powers we have under the law to correct what should have been corrected. In any event, we have a series of problems and all I want to say is that I am not just making a speech after which, having admitted before this House that we have problems, I should just say goodbye. I am being very honest. I think we have already started to solve some of these problems. We have already started negotiations with the western provinces on certain freight rates, and I think we are going to have some concrete results. Maybe we are not going to agree on the conclusions. Okay, that will be part of the political battle which is normal in a country like ours, but at least we are going to have the facts.

The provinces asked for certain cost disclosures and they are going to get them. The committee to study those cost disclosures has already started to work and we hope it will be successful. We have included branch lines, and that is something we think is very positive. The problem now is in respect of what we are going to do when the lines will no longer be frozen. This is a good question, but do not ask it because I am not in a position to answer it at this moment.

Mr. Paproski: Can we have an answer before the next election?

Mr. Marchand (Langelier): We will see, but if we do go for an election we will do like all political parties, and like you are trying to do. The only difference between us is that we are a little more skilful, but that is a matter of opinion.

Some hon. Members: Hear, hear!

An hon. Member: You are skilful in politics but you are not doing anything for the people.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I will then try to give my speech a style which is somewhat higher than the heaviness attributed by others to bring it down. In any case, I wish to speak of transportation problems. There was also the development of the north. To my mind, the department has some very interesting accomplishments to its credit. I refer here to airports and highways. We are undertaking a study to determine the possibility of building a railroad to serve the Northwest Territories. Substantial efforts have therefore been made. There has been progress in the field of winter navigation.

If we compare, which is perhaps a normal and a very tempting thing to do for a government in power, if we compare our system with that of other countries, the United States, France, Germany or Italy, I am sure that we have to conclude that ours is the best. However, the best system is not the same as a perfect system nor is it a system that cannot be improved upon. It is indeed possible to improve it considerably.

We are making efforts in the area of freight rates. I think that considerable efforts have been made in the area of northern development. In the area of civil aviation, we are also making concerted efforts to obtain the share of the market we are entitled to. These are facts, Mr. Speaker, and this is why I should not like anybody, including myself, to give the impression that everything that has been done up to now has been useless, that this was a case of misdirection and that all civil servants were wrong at the same time. This is not true. A mistake was made, and I agree with hon. members of the New Democratic Party when they say it was wrong to believe that the profit principle and competition would settle all problems. Well, there are large areas in our country where it will never be profitable for a railway, bus or truck company to operate and make money. It will never go there. This is the very principle on which private enterprise is based, and I do not see anyone in this House, not even among the NDP members, who would accept to open a highway or establish a bus service in the great north if he had to absorb a one or two million deficit every year.

The structure of our system does not allow it but, as a country, we must serve the people living in these areas, and it is there the system proves its inefficiency, that is the nature of our whole country has not been taken into account. However, I must mention that serious efforts have been made, that we have the parts of a system that works extremely well. The problem before us now is to correct the defects. Of course our friends in the New Democratic Party remid us of nationalization. And some find it a panacea to nationalize CP, non only CP, but all it subsidiaries, which means a great deal of people. I think that the CP company has 47 subsidiaries, if I am well informed, and it administers hundreds of millions of dollars.

Some may suggest that these subsidiaries were born from things given to them by the Canadian people. This is a public and political debate that would be extremely interesting to have one of these days, and maybe our views do not differ greatly on this matter. However, should CP now be brought under public ownership? I would rather see a policy and national objectives set up first in order that we may know exactly where we are going, and see if that is necessary. Personnally, I am not interested in bringing CP under public ownership. Mr. Speaker, if hon. members want to know how many companies are involved in the field of transportation in Canada, I have figures here—21,000 in the trucking industry and 48 in the rail transport industry because CN and CP are not the only ones operating a railway. BCR was also brought under public ownership in British Columbia but several companies do not come under the jurisdiction of the federal government. There are 694 air carriers. With respect to gas pipelining 175 companies are involved in that field. I admit quite frankly that before stomaching all that, Mr. Speaker, I would much rather see an adequate policy set up because if we had to deal with all that tomorrow morning I really wonder how we could manage to do it. I think we would not be the only government to react that way and if our hon. friends opposite were on this side of the House they would think it over twice before passing such a general resolution although I do not object to it in principle. It seems basic to me for a country like ours to have control mechanisms and if at some point private enterprise is not doing what it should we should have the means available to us to make it act as it should which is often something we do not have.

Mr. David Lewis (York South): That has been the case with CP for years.

Mr. Marchand (Langelier): Mr. Speaker, perhaps this is not generally known, but I know that I am not considered as a close friend of CP for several reasons and I do not intend to kill myself for that company. I am not here for that. As long as I am Minister of Transport the only thing that can be expected from me is that I will try to correct what is wrong in our system, to see to it that we have adequate passenger trains and freight rates which permit our economy to grow—

[*English*]

Mr. Paproski: We want Mackasey.

Mr. Marchand (Langelier): They never know why they lose elections. It is just because they behave that way.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Marchand (Langelier): Those are our major objectives. We now have the problem of the lack of railway equipment and cars. It is always the same situation. The government says to the railway companies: Listen, you must be motivated by profit, your grants will be reduced; you had better try to compete with trucking and so everything will be for the best in the best of worlds. But when those companies consider they are making no money by investing in cars they do not build any. To me the problem is as follows: Should we chance buying equipment which next year, for instance, will not be used because the year will not be as good as we thought, or should we have a situation where we would have an extraordinary year but where we will not be able to haul our merchandise for lack of the required equipment? Decisions must be taken. Who takes them? Private companies, of course. Naturally we could ask CN to build cars but CP can see no reasons to build cars unless the level of our economy becomes higher than they forecast or than we forecast.

Mr. Speaker, we are also at grips with the whole problem of urban transportation. As I said once, I do not know where, everybody believed a few years ago that rail transportation was obsolete and that air and road transportation were the modes of transport of the future. Billions of dollars were invested in highway and airport systems. Today, all urbanized modern societies realize more and more that they made a mistake, and that they should never have abandoned railways as a means to link our urban centres. For instance, it is possible today to have a train that runs at 200 miles an hour. I am sure that you will travel by train between Ottawa and Quebec City and that it will be faster than by plane or by any other means of transportation. Therefore, we must re-assess our traditional concept. We are not the only ones who made this mistake. All European countries did the same. There used to be streetcars in the cities. Today people think that it might be better to have streetcars, less pollution and fewer cars parked along the streets.

That is the policy that the federal government must develop. We must do it, not on our own, but with the co-operation of provinces and municipalities. Recently, Mr. Speaker, I accepted in this House the suggestion that a controller be appointed, somebody who might report to us on how railway cars are allocated in Canada. I prefer this idea to the suggestion that somebody be appointed to decide, because I wonder to whom this person would report. Would he report to a politician, to the Minister of Transport, who would decide?

● (1600)

[*English*]

We could say to the CNR that it has enough cars in British Columbia and that it should send the cars to the east. Surely, we can solve the problem within the structure. However, we should know what it is so that if there is something wrong in the system we can use this information and all the facilities of the government to correct what must be corrected. But, I am not sure the best formula would be to give this power to a controller. As a matter of fact, the only exception I take to the resolution is the reference to the general nationalization of the CPR and its subsidiaries. I do not take this position merely because it is a matter of principle with me but because I do not believe it would be useful to do that. I do not know. If some people believe that the CPR has stolen from us and that it owes money to the Canadian society, let us settle that with the CPR and tell it that this money belongs to the government of Canada and not to the CPR. But let us not mix that with a national transportation policy because I think the two are quite different.

But if it should be necessary to nationalize the CPR in order to have a really integrated system, if it should be silly to have two railbeds following the same path and the CPR should not want to correct that situation or wish to sell their property at such prices that they become prohibitive when they know they got it practically free, then we can use the instruments we have and I would have no objection to nationalization. So I think this is the situation. I do not say no immediately. I just say that the first thing we have to elaborate is a new policy, a corrected or improved policy, to determine national objectives and after that see by what weapons we can really attain those objectives. Whatever some people may think I have no vested interest anywhere. If the party to which I belong should have a vested interest to the point that it would not be acting in the interest of the public just because some of them were linked a little too tight, well at that time you know I think I am free enough to say just what I think about the whole business.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): But up until now, I think what we have been doing has been proper. We have been trying to develop the north. We have been spending a great deal of money in opening up the northern part of British Columbia. I hope we will be successful. We are trying to see if we can build some railway cars, including hopper cars. We are making a real effort in that direction. We are trying to correct the situation in the west and the situation in the maritimes. We are trying to see, in co-

[Mr. Marchand (Langelier).]

operation with the province of Ontario, for example, if it is possible to have good commuter trains like those, for instance, between Richmond and Toronto and Barrie and Toronto.

We have a similar proposal in respect of Montreal and probably will receive proposals in respect of Winnipeg and Vancouver. This is what we are trying to do. We are trying to find new ideas so that the needs of the people will be met, not only their needs but also their expectations. I am reminded of something, and I see one of my colleagues here who is interested in that. Many years ago the CPR decided to abandon the small train from Montreal to the north country. In French there is a song about this, "Le petit train du Nord". Perhaps from an economic point of view it was a very expensive link to the north. However, the highway is so crowded that the people no longer can move and they ask why the train is not reinstated or why they cannot have a fast train to Montreal. I would be ready to do the same thing any place there is congestion because we know in this country of ours we have too many cars in the city which are causing pollution. One of the solutions is trains, and this is what we are going to do. Mr. Speaker, I think I have exhausted my 30 minutes. I thank you very much. So far as the rest is concerned, I will say it on television.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, the Minister of Transport (Mr. Marchand) has put on another virtuoso performance in the course of his speech, but I feel we are still somewhat in the dark in respect of what he intends to do. It is a tribute to his extraordinary personal qualities, as the Leader of the New Democratic Party (Mr. Lewis) said, that he makes the sort of disclosures he does with frankness and honesty as he did on March 7 in this House and today. Nonetheless the implications of what he said, though well received, are staggering and disturbing to all Canadians.

● (1610)

The current Speech from the Throne indicates that the government has attached great importance to transportation as related to regional development. Now, it is apparent that not only are we without the capacity and capability to solve many of the urgent problems relating to transportation, but we are also left with the very foundations of our regional development policies in jeopardy. I was surprised that the leader of the NDP did not touch on this point.

It is said very unequivocally in the Speech from the Throne that:

Transportation in particular is a key factor in regional development.

Canadians are now told the unpleasant truth that two of the very high priority items necessary for the country's economic progress are in jeopardy. I say in all sincerity, Mr. Speaker, that if the government is at all capable of embarrassment it must indeed be very embarrassed today. I challenge members to name policies of greater importance to our national economic well-being and progress than those which are necessary in these two vital areas of transport and regional development. And yet, by the admission of one of the key ministers in the government, we are given the hard facts of life as to how deficient we are in these vital policy areas.

Our national transportation problems hold back our economic development in all parts of the nation. They are impeding our capacity to move commodities. They are injuring our trade relations with other nations. They are hurting our economy in so many ways that it would take hours to detail the damage done by the government's lack of policies. I am sure all of us remember that not long ago, when we were debating the so-called energy crisis, it was pointed out, and seemed to be tacitly accepted by the government, that we did not necessarily have an energy crisis, but that if there was an energy crisis at that time it was related to transportation because we did not have the capacity to move fuel from areas of surplus to areas in need. It was not that we did not have the fuel, it was that we lacked the capacity to move it.

I am sure the Minister of Transport must have realized at that point, and perhaps for the first time, just how much work had to be done to solve our transportation difficulties. I may say that I am very happy that the minister at this point does not agree with the NDP that we should exclude the private sector from transportation. If the NDP could say with any justification to the House that those Crown corporations which we have in the transportation field are manifestly superior to those which remain in the private sector, that they are cheaper and more efficient, then I suggest with some logic that they could put forward this type of motion for debate today. As I say, I am happy that the minister does not agree that this is a proper policy for him to consider, although of course he has left the door somewhat open.

I bring to the attention of the minister, as the hon. member for Vegreville (Mr. Mazankowski) has done in the past, and presumably will again in the future, that motor transport is one of the policy areas in which the government has been most deficient. As a suggestion from this party, Mr. Speaker, I urge the minister to consider, in conjunction with the provinces because as he pointed out the provinces are, of course, necessary partners, some sort of practical policy to establish an interprovincial trucking board, or to establish reciprocal arrangements, so that the barriers and the impediments confronting Canada's motor transport industry can be removed. This must be one of the key factors in considering a transportation policy for the nation.

It is nearly impossible to pick a particular aspect of transportation that is not in difficulty, whether it be labour relations, administrative efficiency, or policy goals. Our national Crown transportation agencies and companies are in trouble. The minister himself is certainly well liked, well respected, and well qualified in labour relations and trade union affairs. I can think of few people in this House, if any, who are better qualified in this respect, and he should be especially qualified to cope with and solve the problems that exist in this particular aspect of transportation. I am speaking of labour-management difficulties, and I am thinking in particular of Air Canada.

But if one can believe what the minister is saying—I am sure we all want to do that—what he is saying publicly, what he is saying on the radio, and is reported in the press as saying, that unless he can get better co-operation and control he will resign, then surely it must be because he is not getting the proper type of co-operation from his cabinet colleagues in expediting the kind of decisive legislative and administrative changes needed to cope with the very complex difficulties he has to face.

Certainly nothing has changed since his predecessor said two years ago, I believe it was on March 20, 1972:

> I propose to bring before the House in the next session three important pieces of legislation on which work is proceeding at the present time. The first of those is a bill designed to reconstitute Air Canada as a separate Crown corporation, thus divorcing it, as it were, from the CNR. I will also introduce a Canadian National Railways revision act and a companion piece of legislation covering amendments to the Railway Act. Hon. members will know how involved and far-reaching these changes are; they have been asking for them for the last two or three years. These changes have entailed a great deal of work, which is still proceeding. I believe, however, that these bills are essential and I will bring them forward as soon as they are ready.

Obviously, those bills were not ready before the House was dissolved and an election took place. However, the real point is that the country has been under the administration of a Liberal government for about ten years. The minister is no recent recruit, such as I am. He has been here for a good many of those years. He has been associated with the cabinet, and with affairs of state on a high level. While it is very admirable that he has been so honest and frank with us, nonetheless it is a great indictment against the administration that now we are faced with the revelations recently made to us concerning our present transport policies and how they affect the economy of the country.

While the minister is undoubtedly correct in seeking the co-operation of the unions in an attempt to overcome the lack of efficiency in our transportation systems, I think he should be more concerned with management. I submit that it is here that many of the problems have arisen. In my opinion management has been derelict in adapting to technological changes, and has shown great deficiencies in labour and public relations, as well as a lamentable lack of foresight in adapting to changing economic conditions. Certainly the minister, as I have said, is uniquely equipped to deal with labour relations and he has competent colleagues to assist him, such as the former minister of manpower and immigration and the former minister of labour, the latter having an enviable record in such matters.

I would strongly urge the minister to study seriously the question of encouraging discussions between labour and management, under the auspices of the Department of Labour, with the idea in mind of having the labour contracts for our two major railway systems expire at different times. I realize there are reasons why this might not be acceptable, but on the other hand it could help avoid nationwide paralysis in times of labour disputes, paralysis which because of its magnitude hinders normal labour-management relations and causes parliament to step in, perhaps not always when it is in the best interests of the workers. This type of arrangement is normal in other industries such as the automotive industry, where one big company sets the trend for the others. As I say, I realize there may be objections. Perhaps some labour people think this is not a good idea, but I urge the minister, as part of his on-going policy re-assessment, to consider it.

It would also be a good idea, and I make this suggestion to the minister at the same time although it should more properly be discussed in connection with marine transport

policies, to press on with establishing separate Crown corporations to manage the ferry services operating between our mainland and the maritime provinces. They, too, are affected when an incident arises where our national railway system and the CPR go out on strike. This is something that the minister should take under advisement, and I hope he will.

● (1620)

As far as direction from the Prime Minister (Mr. Trudeau) is concerned, with respect, Mr. Speaker, I doubt if he could run a church bazaar. I do not think he is a practical type of person and I doubt whether the Minister of Transport will get very much assistance or direction from him. Surely, that is not the case with the minister himself and some of his colleagues, however. I think he will agree that at this time we do not want to exclude the private sector from this nation's transportation systems. I am not surprised to see the NDP indicate this sort of action in this motion. It is consistent with the principles of socialism and while we in the Progressive Conservative Party cannot agree with them, still, we would like to be able to respect the sincerity of our friends to the left.

Many Canadians know how difficult it is to believe in the current New Democratic Party philosophy because even their own followers realize that they are not sincere and have lost credibility as an opposition party without having the intestinal fortitude, on the other hand, to form an open coalition with those on the treasury benches. It must be, to put it in Biblical phraseology "sharper than a serpent's tooth" for the leader of the New Democratic Party to read in the Vancouver *Sun* of March 2 that one of the candidates nominated by the federal NDP, Ken Novakowski has dropped his candidacy because, as reported in the article:

> The federal party caucus has compromised too much, . . .
>
> They've backed some pretty wish-washy legislation . . .
>
> The principles of the NDP are more important than gaining or losing a few seats.

They have some principles, apparently, in the eyes of their supporters outside this House but their credibility in this chamber has diminished. It is interesting for us in the official opposition to watch and listen to what my friends on the left say about transportation, and other things as well. They may explain and rationalize all they like. They want the credit for anything constructive this parliament has done, but they accept none of the blame or criticism.

The Leader of the New Democratic Party, a prominent lawyer, has come up with a new legal or parliamentary concept—it could be termed "responsibility without guilt". He castigates the government for its many failures in transportation and other fields but the only time he sounds sincere is when he attacks the official opposition. His logic must be, "the government is not doing anything so let's attack the opposition and blame it on them". He does not include himself in this particular category of an opposition member, obviously.

Mr. Speaker, we in the Progressive Conservative Party realize that the problems of transportation are immense, but much can be done by determined effort and some sort of pragmatic, down to earth approach; doing something that needs to be done. I believe that the majority of

members of this House sympathize with the minister when he says that he does not appear to have enough authority to make the type of managerial and policy decisions that he seems to think are now necessary.

We advocate the immediate reassessment of the current goals and managerial policies of Air Canada. We feel that the object should be to ensure that these Crown corporations are devoting sufficient energy to their principal role of providing efficient transportation of goods and people in this country and that they cease participating in activities which are only incidental to this role. There is a great need that the primary role of transportation in this country be filled, and these agencies should be devoting their energies to this end.

I should like to make a suggestion to this House, although it is not primarily related to what I have already said. As far as the safety aspects of transportation are concerned, I believe that the minister should give careful consideration to making public the findings of accident investigations carried out by the CTC, by his ministry and other investigative bodies. The secrecy that presently exists is consistent with the attitude that I find so aggravating so far as the management of our Crown corporation is concerned.

It is obvious that the Minister of Transport is not able to exert sufficient control over the Crown corporation and private sectors in transportation. Certainly, as hon. members from all parties have pointed out, there is a basis for authority to be exercised under the National Transportation Act and, as pointed out by the hon. member for Peace River (Mr. Baldwin) yesterday, under the Railway Act. If the minister is sincere in wanting still more authority to deal with these problems, I am sure he would get it speedily if he were to bring forward some concrete measure that would demonstrate his desire to take effective action.

The fact that members have been so reluctant to pass the CNR financing bill, is related to the attitude of which I have just spoken. This particular bill, now known as Bill C-5, previously known as C-164 and before that C-4, has a ridiculous and almost farcical history. It is an indictment of the way these Crown corporations are managed. If you look at the history of this matter, it is easy to see why members of parliament get their backs up about the way the government handled this aspect of the financing of Crown corporations. Little wonder the government is having difficulty getting that particular bill passed.

The executive officers of Air Canada and the CNR will not divulge how much their many vice-presidents are being paid or what their specific responsibilities and duties are. Although I was promised at the last committee hearings by Air Canada that they would let me know how much rent they paid last year, I still have not received the information. The whole financing setup of CNR and Air Canada should be changed, and I put that suggestion forward to the government through you, Mr. Speaker.

In effect, we now have a period covering the CNR and Air Canada financing from January 1, 1971 to June 30, 1974. The very fact that this is possible demonstrates how little control this parliament has over this aspect of Crown corporations. It is obvious that the financial affairs of CNR and Air Canada are not really in the hands of the

elected representatives any more. I say to my friends on my left, why nationalize all Canada's transportation if the government cannot control our present Crown transportation agency?

An hon. Member: That does not make Crown corporations bad; that makes the government bad.

Mr. MacKay: That may well be.

I should like to deal with marine policies now, Mr. Speaker, which are of particular interest to me, coming as I do from eastern Canada. It is well known that these are vital to Canada. We have one of the longest coastlines of any country in the world and a great deal of interest has been expressed in reviving a Canadian shipping fleet. This nation should share in the transportation of its export and imports. About one-third of our imports and about 40 per cent of our exports are moved by water. Canadian vessels, chiefly in the Great Lakes fleet, carry about one quarter of our water borne imports. The remainder is carried in foreign flag vessels. That is not a healthy condition. Canadian dollars—$133 million in 1969, for example — were drained away to pay freight charges to those vessels. Much of that money could be kept at home if a Canadian ocean fleet were available to carry our exports and imports.

● (1630)

At the beginning of the 1970's Canada had begun to conclude long-term contracts for large-scale export sales of products such as iron ore, coal and wheat. The prediction is that exports of this type will grow steadily throughout the 1980's. Many will go to the Orient. There is no reason at all why Canadian flag vessels should not carry these exports.

We, in this party, believe that we should definitely concentrate on establishing a viable Canadian merchant fleet. We should also upgrade the Canadian Coastguard service, to provide more comprehensive and efficient environmental and fisheries surveillance and protection. That definitely is needed. I also urge the minister, and I hope he will consider my suggestion worthwhile, to establish an Arctic fleet capable of providing economic transportation to northern Canada and establishing more firmly Canadian sovereignty in northern waters. I also suggest that the minister should pay more attention to the needs of the Ports of Churchill and Prince Rupert, because of their potential for reducing costs to western Canadian shippers.

I see that you are about to say my time has expired, Mr. Speaker. May I close by suggesting this to the minister. If he will bring forward constructive legislative changes which are essential for any reassessment of this country's transportation policy, I am sure he will be able to count not only on our support but on the support of the majority of the members of this House.

Hon. Bryce Mackasey (Verdun): Mr. Speaker, may I thank the hon. member of the Creditiste Party who was to speak just now for allowing me to participate ahead of him. I have a train to meet and I appreciate his co-operation and hope to reciprocate one day.

For the moment I want to talk about two subjects. Neither is controversial and both fall within the ambit of government responsibility rather than of private industry. Both the situations, to which I am about to refer can be rectified. I do not intend to talk at great length, because I know that some people have talked on one subject for years and will talk on it again. I am glad to see the hon. member for Moncton (Mr. Thomas) in the House as he, too, is interested in the question of pensions of retired railway workers.

I do not pretend to be an expert on the subject of pensions. There is an organization or association which is now looking after the pension problem. It calls itself the Senior Council of Canadian National Pensioners Association. It is headed by a close friend of mine from my community, Dick Wooraker. He gives nearly all his spare time, working virtually without pay in the cause of retired workers.

Several private members bills have been presented on the subject. The one which has intrigued me most is Bill C-139, proposed by the hon. member for St. Boniface (Mr. Guay) which, if passed, would go a long way towards rectifying the problem of retired workers. The hon. member might be fortunate in having his bill adopted in private members hour, because it involves nothing more than a change in the regulations.

The group in which I am particularly interested and of which the hon. member for Moncton is aware is a group known as ICR workers who draw their pensions from what is known as the provident fund, that being a fund set up by Parliament away back. Some said it was a wonderful plan. I remember that when my dad died at the age of 56 he was receiving $58 a month pension after 41 years of continuous service, including service in the war years. I always remember the last cheque arriving a few days after he died and our having to send it back. The plan provided nothing for the survivors, for the wives and children. Only a few thousand workers are involved. The union must bear some of the blame for what has happened, because it showed very little interest in that particular group which, for one reason or another, was left with little in the way of pension. That is, when the workers reached age 65, they had little in the way of pension.

I want to talk about other subjects, as well. Let me say that the provident fund was set up by an act of Parliament. It is true that, in 1935, the people involved in that plan were given the opportunity to join the CNR plan. In those days many people were unemployed and those who were not did not have the money to join the CNR plan, the result being that only 110 out of 3,000 elected to transfer to the CNR plan. On the second opportunity in 1941 only 86 transferred to the CNR plan. As of January, 50 employees still worked for the railway and belonged to the old ICR provident fund plan. I understand that about 2,000 pensioners right now are drawing money from the fund.

As a result of attrition, which is the polite way of saying what happens to people over 65, about 2,000 people were left in the plan in 1972. As I say, another 50-odd are to retire. I wonder if we could not, on humanitarian grounds, without needing to worry about putting up a few miserable dollars, transfer these 2,000 people to the CNR plan and treat them as if they had always belonged to it? Could we not treat them in the way that all workers will eventu-

ally be treated who retire from the CNR? These people have been the neglected people of this country.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Mackasey: I must confess that I have forgotten to mention the subject before, but I am happy to see the hon. member for Moncton present. I know he is concerned about this, as he and other members of the House have talked about it privately on many occasions. I hope they take up the cudgels on behalf of those people who draw benefits from the provident fund.

My other point, and I am trying to stay within the 15-minute limit, concerns transportation, particularly transportation by water in this country. A situation has been developing in the ports of Montreal, Trois-Rivières and Quebec, which in time I suspect will affect Saint John and Halifax. For years, as those who know anything about longshoremen will tell you, men who worked on the waterfront did casual work which needed strength and little else. In the old days when a ship came in the employers went out to hire men to unload that ship. A battle of wits developed. Workers wanted to stretch out the only work that might be available that week for as long as possible, and ship owners wanted cargoes to be unloaded as quickly as possible. You ran into the strange circumstance on the waterfront of workers impeding productivity and employers engaging in a degree of corruption in order to speed up production.

The situation has improved as a result of the work of the National Harbours Board. Many of the corrupt practices of the past have been virtually eliminated in the trade, in the ports of Montreal, Trois-Rivières and Quebec. Good collective agreements have been entered into, under which virtually every impedence to productivity on the waterfront has been eliminated. In return for the elimination of restrictive practices, the employers, in the collective agreement, have agreed to guarantee the workers 37 weeks of work per year at 40 hours per week. We talk about unemployment insurance; but what is it? It is a plan of which employers have taken advantage. The workers have assumed what should be the social, moral and legal obligation of employers, namely, improving the conditions of workers, by providing income for workers all year round instead of for three, four or five months of the year. We generally forget that the UIC helps employers as well as employees. The ones who cry most about it are the biggest users of the funds, the employers in the construction industry, and yet unemployment insurance benefits subsidize their payroll.

● (1640)

In these three ports we have employers who brought in a modified guaranteed annual income. They said to the workers, the longshoremen, eliminate the restrictive practices in the existing collective agreement, the size of the gang, give us complete flexibility and in return we promise you work for 40 hours a week for 37 weeks over the life of the contract, that is the normal period in the ports because of ice.

What has happened has been that, as a result of this better collective agreement, we have a tremendous increase in productivity in these ports. Add to this increased productivity in these ports, increased mechanization of what is known as break-bulk cargo; add to that the tremendous growth in the containerized field or technological change, as was mentioned by the very eloquent member for Central Nova (Mr. MacKay). When you put those ingredients together, you have a situation in the ports of Montreal, Trois-Rivières and Quebec which results in greater volume with substantially less people to the point that management, some months ago, bought up, if I may use that expression, 550 men. In other words, 550 men were fired or laid off in return for a certain amount of money. Despite that, there is still a surplus of men available on the waterfront.

When that collective agreement comes to an end at the end of this year, unless something drastic is done, it is very obvious what is going to happen. Management is going to refuse to continue the feature of a guaranteed annual income for the duration of the new contract. They are going to try and reduce the work force by between 500 and 1,000 men. It is quite natural that the longshoremen will want to revert to their old practices, if only to protect the only job they are trained for or capable of doing.

What has management done to alleviate the present dilemma? Management bought up these men at $12,000 each. This is being paid for by a royalty assessed on the goods coming into the port. That is fair enough. The money is to be borrowed from the bank. If it is to be repaid in a very short period of time over the life of the present collective agreement, it is obvious that the royalty has to be fairly substantial since the money involved is fairly substantial. If this is done, the ports of Montreal, Trois-Rivières and Quebec will no longer be competitive with New York and other ports.

I am not a member of the cabinet. One or two of the cabinet members present are not paying too much attention anyway. If they were, they would appreciate one thing. That is, all that is needed to make the ports of Montreal, Trois-Rivières and Quebec competitive with New York, Saint John, Halifax, Boston or any other port around the world, is in place, productivity, containerization, and mechanization. Incidentally, buying hopper cars for private industry is never a problem. Why then is it a problem for the government to act as a guarantor and nothing more in order that the needed bank loan can be amortized over 10 or 20 years. The employers are capable of paying the money back over any period, but in order to pay it over the life of a contract, the royalty must be of such dimension that the port would no longer be competitive. This problem has been unsettled for six or seven months. Nobody really knows where they are going.

You can say what you like about the Minister of Transport (Mr. Marchand), but he is a humanitarian. He understands the most important thing is people. I am encouraged that he is there. If anyone can solve the problem, he can. The minister understands human relations. He understands that productivity is based not only on machinery, but on the willingness of people to accept it. What he needs is the support of the rest of the cabinet—

Some hon. Members: Hear, hear!

Mr. Mackasey: —in order that he can introduce a concept that I do not think is Eutopian. Simply as a result of

technological change and the tremendous importance these ports play in the general prosperity of the province, we are only asking and the Merchant Carriers Association is only suggesting that the government act as a guarantor, perhaps through the National Harbours Board, so the ports can remain productive and free of labour unrest. That seems to be common sense. In fact, I could justify it if the government picked up the tab for the elimination of these particular workers for no other reason than that productivity and technological change have caught up with them. We did it for the textile and shoe industries.

We have seen what happened with the railways. It has come to the point where 250,000 jobs have been reduced to 120,000 jobs and 120,000 passive men. Some people think they are strike happy. They think the railway unions wield unnecessary power. I suggest those people take a look at Judge Hall's arbitration report which is just an honest opinion of an honest individual. They will see his arbitration cost both railways tremendously more than a collective agreement arrived at between two parties would ever have cost the CNR and CPR. This fact indicates that in all our collective bargaining over the past 15 years the strong parties were the companies, not the unions.

I am just making a case for the cabinet to turn around and help the Minister of Transport solve what can be a very difficult problem. This gentleman understands human relations and industrial relations. You cannot divorce that from reality. You cannot make this country as it should be, capital intensive, and introduce technological change without resistance from the worker if it means the worker is to be shoved out on the street without a care.

Technological change in the ports of Montreal, Trois-Rivières and Quebec in the form of containerization and mechanization means a reduction of 1,000 jobs over the next few years. The companies are prepared to buy up these men so they can take $10,000 or $12,000 and start a new life in some other field. They could buy a cab, a home or a business. The Merchant Carriers Association is prepared to pay for it. All they need is the government's guarantee in order that the port will not be put at a competitive disadvantage to the extent you can unload a container and bring it in by Amtrac to Montreal from New York cheaper than you can bring it into Montreal by waterpower today.

You cannot divorce the two. We need a humanitarian in transport. If this country in the next 50 years is to be kept together it will take perhaps more than culture; it will need a wise transportation policy. I make this plea to my former colleagues to accept the wisdom of the Minister of Transport and do the right thing. Give him the authority to authorize some branch of his department to act as a guarantor of a normal business venture.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Victoria-Haliburton (Mr. Scott)—Health—Presence of DES in United States cattle imported into Canada; the hon. member for Northwest Territories (Mr. Firth)—Energy—Reason Imperial Oil allowed to drill for oil and gas in Beaufort Sea before completion of environmental studies.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—SUGGESTED NEED FOR NATIONAL TRANSPORTATION POLICY, NATIONALIZATION OF CANADIAN PACIFIC AND APPOINTMENT OF CONTROLLER

The House resumed consideration of the motion of Mr. Lewis:

That in the opinion of this House all forms of national transportation should be integrated as a public utility to serve Canada's transportation needs instead of being governed by considerations of competition and profit so that Parliament can deal effectively with freight rate discrimination, rail line abandonment, insufficient railway equipment, inadequate rail passenger service, and urban and northern transportation;

This House is further of the opinion that to this end the Canadian Pacific Railway, including its subsidiaries, should be brought under public ownership and that both national systems should be under full public control;

And, further, in order to meet the present emergency in the movement of grain and other products, this House is of the opinion that the Government should consider the immediate appointment of a transport controller with full authority to allocate and control railway rolling stock.

● (1650)

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, on January 4 of this year, in this House, under the provisions of Standing Order 43, I asked for the unanimous consent of the House so that ways would be found to reduce the number of railway accidents across Canada, especially derailments. I even proposed the appointment of a royal commission on the administration of railways and on the means to be taken to remedy the consequences of this deplorable deterioration of this service of prime necessity and national interest.

As usual, my motion under Standing Order 43 did not receive the unanimous consent of the House. I notice with pleasure today that a full day has been reserved for the study of the desired improvement in railway management.

In my constituency, at Mont-Joli, a Canadian National employee in charge of checking the trains retired last

December. He was not replaced. By the way, I would like to draw the attention of the minister to the fact that I sent him a request about this and that I have not yet received an answer in my office. I asked him to be good enough to appoint an immediate replacement for this supervisor who had retired.

Afterwards, 24 cars left the rails at Routhierville, approximately 70 miles from Mont-Joli.

Another time, a freight car crashed into the Mont-Joli station partly demolishing it in a tragic and funny way. Mr. Speaker, it should not be forgotten that the Mont-Joli station is especially busy since Price Brothers operate a sawmill six miles from Mont-Joli and ship all their lumber by CN railway. It greatly increases the activity in the Mont-Joli railway yard.

As I said, the Price Company uses that railway yard so that the railway traffic controller plays a vital role and cannot vanish with impunity. In early March, there was another funny and costly accident which could also have been tragic. Seven or eight passenger cars ran off the line near Luceville between Mont-Joli and Rimouski. That time, the engine as well as eight cars completely left the tracks. Luckily, there was no loss of life, but I think that some people were injured. It should be noted that 15 minutes before the derailment of the east-bound train another passenger train had just gone by.

I should like to make a suggestion to the hon. Minister of Transport (Mr. Marchand) about the supervision of railway tracks. I would suggest that after the passage of every train, the track be inspected in order that such accidents may be prevented. This would provide employment, since people complain about the high rate of unemployment today. At the same time, it would prevent costly accidents like those that have already happened.

Early in March, another funny and costly accident happened, as I mentioned earlier, when a car lost its shipment of $27,000 between Toronto and Winnipeg. This shipment consisted of 5 cent coins which were sown over a land unsuitable for cultivating silver or nickel.

I agree that those are trivial incidents compared with the big businesses that handle billions of dollars right across Canada, one of the wealthiest and most capitalistic countries in the world.

I think we should congratulate the opposition party that took the initiative of calling the attention of the government to our railroads which have long been the pride of Canadians, financiers, administrators and employees. One wonders now whether that reputation is not about to wane.

As I cannot trust my impressions alone in forming an opinion, I get my information wherever I can, but always from the most reliable sources. For instance, early in January, a CP report published in *Le Droit* of Ottawa mentioned that it is the CTC that asks the companies to reduce the speed of the trains, to limit their loads and better inspect the rails, and this all year round.

They try everywhere to reduce the number of employees, thus increasing unemployment and encouraging lower quality services. There is nothing to laugh about, Mr. Speaker, when we look at all the derailments which have occurred since 1970. Referring to statistics for 1959, I find that 40 derailments occurred that year, 69 in 1969 and 132 in 1972, accounting for an average increase of 90 per cent in those three years.

That makes me suggest that railways are in a very bad shape. I was listening earlier to the minister expressing his intention to improve that situation.

In the past, as I remember, the ballast under the rails rested on slag and accidents were fairly infrequent because the tracks were very well maintained. There were four mem assigned to the maintenance of each seven mile section. Inspections took place daily and often after the passage of various passenger or freight trains.

Today it is thought wise to extend sections to 18 or 20 miles, I think, and two employees and one foreman look after and maintain the tracks.

With regards to the inspection of railways, I wish to inform the minister that, it is rather funny to say, the employees and the inspectors of the tracks now travel often by car on the highway. They drive around and claim that they did inspect the tracks.

Also, I would bring the attention of the minister to the fact it is often said by public servants that there are more chiefs than Indians, and to my mind such is the situation prevailing now in the CN. There are too many civil servants and not enough employees to maintain and accelerate the development of railways.

I do not know if the minister is aware of this, but there are civil servants in the railways companies who enjoy all sorts of privileges, including the use of a company car, credit cards, paid expenses and often a bottle of scotch, up to a maximum of $50 a month.

When they need to replace a window at the Rimouski station, they must send for a worker from Campbellton to do the necessary work.

There is so much merchandise, pieces of rail and sleepers along the way between Halifax and Vancouver that, if an inventory were made, the amount would be enough to pay the salaries of all employees for a year.

Therefore, the CN is certainly poorly administered. There are too many civil servants, too many unjustified expenses and an enormous waste of money.

● (1700)

If we compare the derailments that took place during the same period for CP and CN trains, we find that for 1969 to 1971 CPR had 52 derailments and 80 in 1972. When compared with 132 for the CP, one must admit that a private company certainly takes more care of its rolling stock and railway tracks than a publicly owned company such as the CN.

I called for a royal inquiry on the quality of railroad transportation on October 24, 1973 in a speech I delivered in this House. Members of the New Democratic Party go faster and recommend definite measures, such as, for instance, public ownership of the CP and integration of the whole railroad transportation system into a single government controlled utility.

That is what I call coming quickly to extreme and definite solutions before reconsidering the whole problem and comparing the efficiency of both systems, namely a national enterprise on one hand and a private enterprise on the other. Therefore, we should analyse all comparative results of both companies, namely the CNR, a government controlled company, and the CPR, a privately owned company.

That is the main point to be clearled up. Despite its profits that are distributed among its shareholders, one often wonders whether the private enterprise is not even more efficient, more profitable and less expensive than a public enterprise. A serious royal inquiry might enable us to determine more precisely the deficiencies of the present administrations and to take remedial action as required without disturbing anything in the existing financial and administrative structures.

It is important, Mr. Speaker, to know how to distinguish between casual and localised deficiencies of administration that may be corrected right away, and basic and structural deficiencies that would demand a major overhaul and a complete change in organisations. Under current circumstances, what is the best decision to take? Should we take a drastic decision prior to a royal inquiry or should we conduct a royal inquiry prior to taking a decision fitting the circumstances?

I do not think this question will be settled today but I commend the NDP party for drawing the attention of the government and of this House on a major question which deserves our best attention and efforts if we want to maintain our railways prestige and current reputation which are recognized throughout the world as most efficient in such a great country whose needs and temperatures are so varied.

Today is not the day to deal with the many circumstances connected with the administration of our railways but the whole financial system of the CN and CP needs an in-depth study. In both cases, we are speaking of financing in terms of billions and in both cases an interest rate differential of 3, 5 and 10 per cent has considerable effects on administration costs both for the state company and the private company.

And the whole question of interest rates, in the field of railways as in other areas, is a matter under the supreme authority of the government of Canada under the British North America Act. It is not because of the dividends paid to CN stockholders that administration is too costly but because of the interests paid on its debt in the form of bonds and, in this connection, the CPR and CNR are both suffering from exorbitant interest rates on billions of eternal debts which are renewed automatically every 20, 30 or 40 years at higher interest rates. The same applies to the bonds issued by the government of Canada.

Perhaps you noticed again that last Monday all our major newspapers mentioned that the government of Canada is floating a $550 million issue at 6½ and 8 per cent, of which $350 million will be used to redeem a maturing issue which was marketed at 5 per cent. Is it known that without any further effort on their part, Canadian and foreign millionnaires will receive some $15,000 or $30,000 more per million in the future, that is a total of $65,000, $70,000 or $80,000 instead of $50,000 during several years more, and that finally, the government, unable to pay for its debts, will have to renew its loans at still higher rates? Is that known? Was that thought of? Are these mere trifles? Certainly not, Mr. Speaker. The CN should go through a good inventory so that measures can be taken to ensure the best decisions are made to meet more satisfactorily the needs and hopes of all Canadians.

[*English*]

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, the motion moved by my leader, the hon. member for York South (Mr. Lewis), contains a fundamental part of the New Democratic Party's policy on transportation. I am sorry that the Minister of Transport (Mr. Marchand) has had to leave, but I hope that his parliamentary secretary will hear my words and take them back to him, and that they will persuade him to accept the points made by my leader as well as the points I have to make.

This issue has been raised two or three times in every session of parliament in the past almost six years that I have been here. The same problem has confronted us in almost every one of these debates; it is with us now, and it will continue to be with us unless we make some fundamental changes in transportation policy and in how we operate our transportation systems.

Transportation is fundamental to the social and economic life of Canada. It is so essential to our national wellbeing that it falls naturally into the category of being a utility. The priority of any utility, of course, must be the provision of service. The principle of service must replace that of competition and must supersede that of profitmaking. As my leader said, this is not necessarily socialist dogma, though socialist thinkers originated the idea. It has been accepted by governments and parties of all political stripes that anything that is an essential public service is best operated as a utility that is publicly owned and operated.

Society, after many decades of bitter experience, has learned that competition and private profit have no place—and I repeat, no place—in developing and operating an essential public service. Society has brought into being many kinds of services under public ownership, such as our streets, sidewalks, highways, sewer and water systems, city transit systems, and in much of Canada our telephone and electrical systems. Major national modes of transportation remain under a mix of private and public ownership, the prime objective of both of which, I regret to say, is competition and profitmaking.

The present national transportation policy and the legislation of 1967 enshrine withim them the principle of competition, which does not allow for or require the meeting of the transportation needs of the people or the economy. Neither do they recognize transportation as a vehicle to foster regional economic development. For too long our transportation systems have discriminated against people and places because of our geography. Those same systems were also party to the prevention of economic development in Atlantic and western Canada.

The New Democratic Party believes that these major modes of transportation must be placed under public democratic ownership and made to function for the real social and economic use of this country. By making our

major transportation systems a public utility, so-called competition is then automatically ruled out, as has been the case over the years with other kinds of utilities. That is the first essential of a national transportation policy which will bring about a real national transportation system, namely that it is a publicly owned, operated and controlled utility.

To be more specific, the New Democratic Party believes, and a New Democratic Party government would undertake to implement, the following. I shall go through my list of points for as long as my time will permit.

● (1710)

First, to emphasize what my leader had to say on this point, and again I hope what I have to say will persuade my hon. friends in other parties, we would bring into public ownership the Canadian Pacific system, now called Canadian Pacific Limited. This would include the subsidiary companies over which Canadian Pacific has ownership or control and which are felt necessary either to the wellbeing of a national transportation system or other national interests, with the full proviso that no employee shall suffer from the transfer to public ownership. For example, in addition to CP Rail right of way, trackage, buildings, rolling stock, etc., all lands and mineral rights still held would be returned to the people of Canada. I might say that while the figure of 25 million acres is the one recalled by the public and members here, they should know that all land grants to the Canadian Pacific system since 1881 from national, provincial and municipal governments total 43,962,546 acres. These lands and the mineral rights must be returned to the people of Canada.

The taking into public ownership would include CP Air as that is an essential public utility of transportation. It is foolish to have competing airlines. It would be as foolish to have competing subway systems or sewage and water systems. Competition has no place in a national public utility. Something that is a natural monopoly should not be the subject of competition.

CP Oil and Gas and Pan-Canadian Petroleums, both Canadian Pacific subsidiaries, should, in the national interest rather than just transportation interests, be taken over. I believe they would be marvellous addition to a real national petroleum corporation, and, as the government is proposing legislation in that area, this would be a good beginning.

CP hotels are essential and a proper adjunct to a publicly owned and held national transportation system. CP Telecommunications should also be publicly owned since, for the purpose of market sharing and the elimination of competition, this area is already jointly operated with Canadian National and they have divided up the country between them, so that all that remains to be done is the transfer of ownership. CP trucks and ships again represent a necessary part of a national transportation utility system. CP ships could provide the beginning of a real Canadian merchant marine.

My next point is that the Canadian National Railway system must be relieved of the burden of debt that has been continually compounded since its inception as a way of bailing out bankrupt private railways. One of the methods I suggest of doing this is by having full disclosure in respect of those who hold the remaining private debt of the CNR and transferring that private debt, which I believe amounts to something in the neighbourhood of $1.8 billion, to the public accounts of Canada, and in this way the people of Canada would finally become the sole shareholders of their railway.

In addition, our national transportation policy would requires the elimination of freight and passenger rate inequities through equalization or subsidization or a combination of both. There should be a moratorium on rail line abandonments with an assurance that the railways maintain adequate standards of facilities and services, as well as maintaining sufficient rolling stock and locomotive power.

In addition, the NDP advocates the restoration of certain services already eliminated. May I say to all of those who think that all we should do is take over the railway right of way and road leeds, this would be an economic disaster, since both railways have allowed a major portion of their trackage and roadbeds to deteriorate to such an extent it would require the expenditure of several hundreds of millions of dollars to bring them back up to proper standards, and the taxpayers of Canada would again have to pay for the mistakes of previous transportation policies and the deliberate mistakes, at least in my mind, of our railway systems.

My next point is that by direct assistance or in conjunction with the provinces we should develop a publicly owned, provincial and regional air carrier system which would be integrated and operated in conjunction with our national air transportation system. We should have provision for substantial expansion of air services, routes and facilities at subsidized fares and rates in the northern territories and probably in the northern parts of some of our provinces.

My next point is that our policy would provide that a rate-setting structure, developed under a public utility approach, would be based on the cost of shipment rather than on the value of the commodity shipped. An NDP federal government, acting in concert with provinces and territories, would assume direct responsibility for all matters of transportation rate setting and related activities rather than allowing federal regulatory bodies to assume wide discretionary powers in this area. In order to reflect regional concerns in the operating of a public transportation utility there should be direct regional representation on regulatory bodies responsible for transportation policies, and the provinces would be fully involved in the setting of trucking rates across the country.

My next point is that the Port of Churchill must be developed as a major supply depot for the north and, along with Prince Rupert, be expanded to handle larger quantities of western agricultural and finished products. In other words, an NDP government would develop these into major seaports.

The next point I have here is that we would provide for greater participation and input by transportation employees regarding their pensions, working conditions and safety procedures. Beyond that, we would give them more direct participation in the operating of the railroad or the airline because they know how to run the transportation systems by which they are now employed.

The Minister of Transport (Mr. Marchand) spoke out partially against the idea of public ownership in this field. I have only to remind him and all other members that with the exception of Canada and the United States, the governments of pretty well every other country in the world, of all political affiliations and persuasion, democratic and dictatorial, have transportation systems which are publicly owned and operated. We can learn some lessons from these countries, and I think of nations in western Europe, Japan, Australia, the Soviet Union and Scandinavian countries, all of which gave up a long time ago the idea of transportation being a place for competition or profit making.

I want to submit, as sincerely as I can, that there are some areas of human endeavour in which those two principles, which are adhered to by those who claim to believe so strongly in the so-called free enterprise system, have no legitimate place, and where competition in fact prevents such an endeavour from functioning properly. Even the Minister of Transport now admits that competition in transportation in Canada does not work.

With a publicly owned national transportation system, with all major modes of transportation included, we could have the efficient and integrated transportation of goods, services and people at the least possible cost, without discriminating against Canadians because of where they happen to live, meeting the transportation needs of any given part of the country, and meeting the transportation requirements of the producers of any given goods whether they be agricultural or manufactured products. It would allow for a much more equitable division and distribution of Canada's processing, manufacturing and distribution industries. Most of all I believe it would help to do as much or more for national unity than anything else.

● (1720)

One issue which has divided Canadians for decades has been the kind of transportation and communication systems we have had. This has caused us to quarrel among one another since the 1880's. This is still the case. The bitterness and division, I submit, would be substantially reduced if this and succeeding parliaments would move to bring about a publicly-owned and operated national transportation utility in the best interests of Canadians and the country.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, in dealing with the motion before us I am sure no one will disagree about the problems referred to in this motion connected with the transportation system. I think there is agreement that there must be more integration in respect of certain forms of transportation and that some immediate action must be taken to speed up the movement of grain and other important commodities across this land. I believe also there would be general agreement to the appointment of a railway transportation controller or coordinator immediately. However, I believe the agreement ends there.

We have before us a simplistic socialist policy, based on the philosophy, that civil servants can provide an effective and efficient transportation system better than the private sector. That I suggest is rather naïve. It is the major thrust of the NDP solution, but that is the kind of unadulterated socialistic rhetoric in which they engage. I was interested to note that the Minister of Transport (Mr. Marchand) indicated some qualified support for the proposals advanced by the NDP. I am not surprised, given the cosy relationship that exists between the NDP and the Liberals. I would suspect the government could very well be directed on that course. Judging from statements made by the minister outside the House, this particular course may be undertaken sooner than later. There has been a great deal of cross fertilization between the two groups.

One thing my NDP friends forget is the fact that there are two major nationalized transportation companies in this country which do absolutely no better and in many cases worse than those involved in the private sector. If nationalized transportation is the most desirable thing, the CN should be a model of railway transportation services in this country. I ask hon. members opposite and their colleagues to the left if, for example, the CN does any better than the CPR in the movement of grain, in the movement of lumber or in the movement of fruits and vegetables, either east or west, or does the CNR maintain its trackage and its equipment in a more desirable fashion than the CPR. The answer to that is no. The NDP know this very well and yet they say we should nationalize everything. This does not add up. The point I wish to make very emphatically—and here I point out that the CNR is as guilty as the CPR—is that the railways have failed to fulfil their mandate to the Canadian people.

The mandate of the railways is to provide an efficient and effective service of rail, freight and passenger transportation for the Canadian people. Furthermore, this government has failed to hold the railways to this mandate. The government does have power to do this. I intend to point this out later in my remarks. Let us look at the operations of the CNR. Year in and year out the government-owned corporation is heavily subsidized at the expense of the taxpayers. Rather than have a model of an advanced futuristic rail system, we have an antiquated system that has failed to recognize and develop new technology. It has failed to upgrade and maintain its equipment. It has failed to maintain its trackage in a safe and efficient condition. It has failed to meet the challenge of the twentieth century in respect of rail transportation requirements.

What has it engaged in? My hon. friend from Central Nova pointed this out. It has engaged in some exotic collateral ventures such as building towers, establishing shopping centres, and engaging in other real estate ventures such as luxury hotels. Only the CN can lose money in the operation of the hotels. It has even been involved in consulting agencies. I want to reiterate that the government must tell the railway to honour their commitment to the Canadian people and do the job for which they were given the mandate.

I believe the prominence of the railroads must be restored. They are a vital asset of this country. They must be upgraded, conserved and fully utilized. But the Liberals, and this particular government as well as previous Liberal governments, have allowed the railways to merrily go on their way. This has cost the taxpayers a great deal of money. The CNR now has a debt of $1.8 billion with notes bearing 5 per cent interest. I ask you, Mr. Speaker, what

private corporation can borrow money at that rate of interest. Still the CNR loses $25 million a year. And this is a company which has assets totalling $4 billion. The hon. member for St. Boniface (Mr. Guay) can squawk all he wants. He will certainly have an opportunity to speak later and I will listen to him, although I have listened for many years and never heard him say anything constructive.

Let us not forget—and this is for the benefit of my NDP friends—that back in 1952 the government wrote off half of the CNR debt of $1.5 billion and further reduced it by $120 million later on. That is the fabulous success story of the CNR. I do not think we have to blame its failure on competition but rather on mismanagement and government misdirection.

What is the CNR's major competition? Of course, it is the trucking industry. The CNR was losing money long before the trucking industry was established and long before the National Transportation Act was in effect, so I suggest the argument proposed by the NDP has absolutely no validity. Using their argument we could say we would be better off with one political party rather than four. We are down to three now. I do not want this to be taken as a vendetta against the employees working for the CNR because there are many faithful, hard-working citizens of the country employed by the CNR. However, I do have some criticism of the management and above all the concept of nationalized enterprises.

What about the trucking industry? I want to reiterate that so far as I am concerned, in my humble opinion the principle of competition is not all that bad in fostering an effective transportation network. Certainly there have to be trade-offs when considering competition and the necessary economies of scale, but on the whole I suggest it has been a reasonable and realistic goal. However, the government has failed to implement the provisions of the National Transportation Act to carry out the basic principle of that legislation, namely, competition. It has failed to take the necessary initiatives. I blame provincial governments as well, including my own province of Alberta, for failing to reach any sort of uniform agreement so far as reciprocal arrangements and a uniform code of regulations are concerned so that the trucking industry could operate throughout this country unimpaired and uninhibited. If the provinces cannot reach some agreement, the federal government should take stern action to bring about an agreement that will allow motor vehicle transport to operate effectively across the country. At one time the federal government had that power, but the Liberals gave it away back in 1954.

● (1730)

Just look at the melange of weight restrictions that the motor trucker is faced with across the country. For example, look at weight limits for a tandem tractor-trailer combination. In Manitoba we have a GVW of 80,000 pounds, in Saskatchewan it is 74,000 pounds, in Alberta 72,000 pounds, in British Columbia 82,000 pounds and in both Ontario and Quebec it is 82,000 pounds. The western provinces seem to be the ones that are squawking the loudest about the removal of freight rate anomalies. Perhaps they should be the ones to take the initiative in building up their road systems, in conjunction with the federal government if necessary, so that a uniform weight code can be established.

[Mr. Mazankowski.]

Another matter which is greatly bothering the trucking industry at present is the status of the railway freight rate freeze. In short, this has cast a very gloomy shadow upon the trucking industry. We all know that freezing railway freight rates automatically freezes the trucking industry's freight rates because the two forms of transportation compete with each other. Yet we have the government granting something like $41 million to the railways to compensate them for the losses they incurred as a result of the freeze, while nothing goes to the trucking industry. In the miscellaneous estimates committee today we were not even given an opportunity to ask for an explanation of that situation. Mr. Speaker, we have three major railroads operating in Canada today. We have the CNR, the CPR, and the "railroading" job that is done by the miscellaneous estimates committee.

The government does absolutely nothing for the truckers. The trucking industry may very well be wrecked if something is not done soon. As I say, if you freeze railway freight rates you automatically freeze trucking rates. The trucking industry is not immune from inflationary pressures. Diesel fuel has risen by six cents a gallon since July last, and I understand it is due to increase in the order of 8 cents during the next month or so. Salaries to employees have increased by 15 per cent. The cost of tires has increased by 15 per cent to 20 per cent, and parts by 20 per cent to 25 per cent—if they can be obtained. How is this industry going to survive? Is the way it is being treated fair? I say it is discriminatory.

Let me warn the minister and his socialist friends that truckers have been instrumental in holding down freight rates in Canada. Moreover, they have been instrumental in making railways toe the line in maintaining decent services where competition exists. As a matter of fact, the Minister of Transport alluded to this at the western economic opportunities conference in Calgary when he said that competition between the railways and the truckers, as was envisaged by the National Transportation Act, has been of great benefit to the people at large. I agree with that. I only hope he will give equal treatment to both sectors of the transportation industry. As a matter of fact, he himself said we must recognize the importance of equal treatment for all modes of transportation. I would ask the minister to live up to that undertaking, because if the trucking industry disappears or is greatly diluted we all know what the railways do when they do not have competition: they simply charge what the traffic will bear. I suggest to the minister, in all fairness and on behalf of the truckers, that if he is going to subsidize the railways he must give equal treatment to the truckers.

I have mentioned the record of the CNR as a Crown corporation. I could also refer to Air Canada and its move into collateral ventures. Air Canada is part of the same family as the CNR and therefore has the same lofty ideals. My colleague from Central Nova touched on those. We are getting into a situation where these Crown corporations are engaging in far too many other activities rather than fulfilling the mandates which they were given. This is why we propose to separate the operations of these two Crown corporations and appoint different boards of direc-

tors which would make them answerable and responsible to parliament for meeting their particular obligations. We firmly believe that under the present system, corporations such as Air Canada and the CNR do not answer effectively to parliament. We have lost parliamentary control.

We have had relatively poor performance from Air Canada, particularly in the areas of service and profit, notwithstanding the fact that it has had basically a captive market, low interest on its debt, an excellent route structure, the highest load factor in the industry and behind it the nationalistic pride and sentiment which make Canadians travel by Air Canada. In short, it does a poor job when compared with other trunk carriers on the North American continent which do not have these built-in advantages. This Crown corporation to which we have taken strong objection basically has become a haven for political friends of the government, immune from the shareholders, immune from the close scrutiny of parliament and engaged in the pleasant task of empire building. We all know what happened in Air Canada with respect to labour relations.

The Acting Speaker (Mr. Boulanger): Order. I regret to interrupt the hon. member, but his time has expired.

Mr. Maurice Dupras (Labelle): Mr. Speaker, I welcome the motion moved by the leader of the NDP because it gives me an opportunity to deal with a subject that it is very much in the minds of Canadians, including those in my constituency. I shall deal mainly with that part of the motion which reads:

> —as a public utility to serve Canada's transportation needs instead of being governed by considerations of competition and profit—

[*Translation*]

This is just the occasion I had been waiting for to reassess in fact the purpose the Canadian railways had assigned themselves. The original purpose and the philosophy that prevailed when the railways were built were to forge a link between all Canadians from all parts of Canada. It was somewhat like the spirit that prevailed at the time the CBC, Canada's national network, was developed—a venture or a project that could not be expected to record a profit in the foreseeable years and that the state alone could provide that service to which all Canadians were entitled. Railways belong to that type of service, Mr. Speaker. That service should be available to all Canadians. As the years went by, Mr. Speaker, I believe the purpose for which the national railways were built was lost in that under the banner of effective administration we are more interested in profits and in showing interesting figures to shareholders than in serving the purpose that the railways had first undertaken to achieve.

If one looks at the circumstances in which railways were built, and we were reminded a while ago that no less than 43,920,000 acres of Canadian land were given to the two main railways companies, one realizes, Mr. Speaker, that the purpose in building those two railways was really to provide communications between all Canadians, somewhat, as I said a while ago, like the spirit that prevailed when the CBC was established. That philosophy is waning because of that passion for administrative efficiency that calls for showing profits.

I believe the time has come and this motion is the opportunity we need to reexamine perhaps the real purpose of the railway companies.

We must consider the enormous costs of transportation at the present time, when 36 per cent of the mileage travelled by the public in urban centres such as Toronto, Montreal, Vancouver, Hamilton and Quebec City, is done by automobile. Actually, while the cost of transportation by car continues to increase and that this mode of transportation is very costly for governments, we do not have at our disposal the figures concerning the costs of maintenance and construction of roads in the province of Quebec.

As a simple example, Mr. Speaker, I would like to remind the House that, recently, either last October or November, the Minister of Transport (Mr. Marchand) and the Minister of Regional Economic Expansion (Mr. Jamieson) announced the participation of the Canadian government in the development of autoroute No. 13 which will join Mirabel Airport to Dorval Airport. Thus, for a road of 13 linear miles, the cost is estimated at $130 million, or $10 million per linear mile.

I wonder whether the Canadian economy can afford such a fabulous luxury at $10 million a mile. I would recall the huge amounts which have been invested at the beginning of the 20th century for building tracks such as those I have in my constituency. This is a CPR track between Montreal and Mont-Laurier and it is used by only three trains each week at hours which do not meet requirements. I intend to revert to this subject which is of some interest to my constituents.

However, I would like to proceed with my examination of transportation cost in Canada, specifically the most popular means of transportation—cars. Transportation expenses are becoming increasingly prohibitive for Canadians and both CP and CN are studying this continuously aggravating problem to try and find solutions.

In the Speech from the Throne there are several important items but two of them are particularly important for those interested in transportation problems.

Let me read extracts from the Speech from the Throne, and I quote:

> Transportation in particular is a key factor in regional development. A number of measures will be taken in the larger context of ensuring that Canada's transportation capability supports the government's national goals and is safe and efficient.

And further on:

> Steps will be taken to end any discrimination in freight rates.

Another part in the Speech from the Throne advocated and I quote:

> Improvements in Canadian grain rail transportation capabilities.

Certainly the government is most concerned about this question in view of the cost of road building and of the necessity to protect the environment, a question increasingly exciting to Canadians. The Department of Transport is already engaged in important research work, Mr. Speaker, to develop means of transportation meeting present needs.

I indicated a moment ago the concern of my constituents for the transportation problem. I thank the Minister of

Transport for mentioning in his speech my interest in improvements to transportation in my constituency. It becomes increasingly expensive to build highways, bridges and overpasses. A rational use of structures built some eighty years ago must be done. To this end, Mr. Speaker, I have made representations to the president of the CPR to re-establish the services of this company to travellers between Montreal and Mont-Laurier, a run which goes through a good part of the constituency I represent in the House of Commons.

To my first letter of December 21, 1973, the president of CPR answered in somewhat unusual terms. This is what he answered to the request I made, and I quote:

● (1740)

[*English*]

In its decision and order of December 14, 1973, the railway transport committee of the Railway Transport Commission declared the present passenger service to Mont Laurier uneconomic and ordered that the service be continued.

[*Translation*]

As I indicated a while ago, Mr. Speaker, I know the operation of the railroads is to become profitable in the name of an efficient administration, but I say that it is a challenge to the administrators of the Canadian Pacific; and I say to them that if they gave adequate service, with modern equipment, I am convinced that in next to no time the service we ask of them would be profitable.

Mr. Speaker, I must say that since I launched that campaign of representations to the CP administration, no fewer than about twenty municipalities in my riding have already supported them through resolutions. In fact, 14 associations made representations and recommendations to me, assuring me of their support; a large number of citizens in my riding who travel daily between Montreal, Sainte-Agathe, Sainte-Adèle and Saint-Jérôme have written to me expressing their support for the campaign I launched with the view to restoring the Canadian Pacific service.

[*English*]

To this end, in my last letter to the chairman of the CPR on March 4 I made the following recommendations:

1. Immediate inauguration of daily commuter service between Mont Laurier and Montreal with trains leaving Mont Laurier every morning and returning each evening.

2. Beginning in the fall of this year, regular weekend ski trains providing same-day service to the Laurentians and back to Montreal.

That is for the skiers who go to the Laurentians region.

3. Renovation of existing stations along the line as required.

4. A survey of the potential commuter market between St.-Jerome and Montreal. (One is reminded of the recent order of the Canadian Transport Commission that the CNR provide commuter service between Barrie and Toronto).

5. An in-depth assessment of present rolling stock which is used to service this line with a mind to providing whatever equipment required to fulfil future needs. (The practice of allowing usage to meet the service that existing equipment can provide is "putting the cart before the horse").

6. A study to determine the linking of present rail commuter needs with a future rapid transit link between Mirabel airport and downtown Montreal. It appears that for much of the route, existing CPR lines will be used.

[Mr. Dupras.]

[*Translation*]

Those, Mr. Speaker, were my representations to the president of the Canadian Pacific and I hope that he will give them serious consideration because I have no intention of changing my mind in view of the unexpected support that I am getting from the population of my constituency as well as of Montreal, and in view of the ecological needs that are at stake. I now find it unfortunate, Mr. Speaker, that each time the construction of a new road is announced, a swath of at least 200 feet of often fertile land is taken over and the scenery is irreparably damaged.

For all these reasons, I believe that the facilities that the CP owns from Montreal to Mont-Laurier should be put to use as soon as possible.

I therefore ask all those who are concerned with this question to support me because I believe that this line which I mentioned earlier could show a profit in a few months, and that it could enable us to prove that the Canadian population really needs a modern public transportation service. If we compare the services and equipment that the Europeans have with our own, it is easy to see why Canadians no longer travel by train.

This is regrettable because it is an excellent way to travel, and a safe way which does not endanger the environment.

For all these reasons, Mr. Speaker, I wish to congratulate the mover of this motion, the hon. member for York South (Mr. Lewis), for his initiative, and as I stated at the beginning of my comments, he has my support for one part of the motion, that which concerns the railway operations of the Canadian Pacific.

● (1750)

[*English*]

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in the time remaining before six o'clock I shall try to cover a number of items. I know I will not complete my remarks before six, so I shall probably speak again at eight o'clock.

I was interested to hear the minister's remarks. In his speech, when speaking about the difference between the Tories and the Liberals, he said the only difference was that the Liberals are more skilful. I am sure he did not mean they are more skilful in bringing forward a transportation policy, because that is what this debate is about. Members of my party for years have been saying there is no difference between the Liberals and the Tories. I was pleased to hear such a distinguished gentleman as the Minister of Transport (Mr. Marchand) confirm our view.

Others taking part in this debate have dealt with various difficulties associated with achieving an efficient and integrated transportation system in Canada. They have also talked about how competition in the private sector has impeded the functioning of an industry so necessary to our economic survival. Some of us in my party view transportation not only as another industry but as a required public utility.

The leader of my party asserted that we face our present transportation mess because both our multinational corporations, the CN being the so-called public corporation and Canadian Pacific being the private one, have followed

identical policies directed to making profits which are largely based on the principle of greed. I wish to spend a few moments talking about the philosophy of greed and what greed does to the morale of those working in the industry. I say that because a high level of employee morale is vital for the successful running of any transport system. You can have all the good equipment in the world, but if the morale of the employees is poor you will not get the most out of your equipment. Productivity will lag, no matter how much you have spent in purchasing and maintaining equipment.

I will make a few general remarks on topics such as wages and working conditions and, of course, rail safety. Then I want to speak briefly about the inadequacies of pensions, especially with regard to those who have already retired and have nobody left to speak on their behalf except possibly the muscular member for Winnipeg North Centre (Mr. Knowles). In all these areas the record of the railway companies has been appalling.

At one time, most people who worked for the railways looked on railroading as a lifetime career. Now, because of conditions which have persisted over the past 10 or 20 years, that attitude on the part of employees has been eroded to the point where they are leaving the railways in droves. The CNR, with respect to which information is more readily available and which is therefore subject to more criticism than is the CNR, loses 15 per cent of its work force every year. This year, probably about 7,000 employees will leave.

Let me tell the House that 23 per cent of the CNR work force has been on the job less than two years. How can such a proportion of new people, no matter how skilful, be as efficient as older, more experienced workers? How can they know as much about rail safety, for instance, as workers who form part of a more experienced work force? It seems to me that such factors add to the inefficiency of the system. This holds true no matter what your policy may be or how progressive and enlightened it is.

How can tracks, equipment or anything else be maintained when 20 per cent of the machinists, 18 per cent of the electricians, 10 per cent of the carmen and at least 40 experienced yardmen left the railroad in disgust in the Vancouver area in 1973? You would need to do a lot of looking to find another national industry in which such a high proportion of workers is leaving. Where else will you find such a rot in the work force? If you add the scores of truckers who left after difficult wage negotiations, and add the fact that wage negotiations are so lengthy, so protracted, the fact that the companies know parliament will bail them out, and they will not bargain in good faith, and the feeling of railroaders working on the job that their views and suggestions count for nothing, you will not wonder why the trains do not run on time.

Last week two Kamloops men were killed in a tragic CP derailment at Spences Bridge in the Fraser canyon of British Columbia. The very next day there was another derailment near the same spot. In case one thinks such derailments are rare, let me put the record straight. I have a number of figures relating to these derailments. They are current; that is to say, up to date. My only difficulty is that I cannot find them. If we could call it six o'clock, Mr. Speaker, I could use the dinner hour to find these figures.

The Acting Speaker (Mr. Boulanger): It is six o'clock in any event. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Rose: Mr. Speaker, just before the recess at six o'clock I was saying that the two tragic deaths in the Fraser Canyon last weekend were part of a pattern. I was about to cite some figures to support my contention. I received these figures from the Canadian Transport Commission today: they list the derailments and accidents on railway lines between Vancouver and Kamloops from January 1, 1953, to March 1, 1974, a period of 21 years. In the case of Canadian National derailments, there were 86 accidents, 9 killed and 41 injured. For other accidents, and I presume these had to do with unmarked crossings and automobile accidents, there were 10 accidents, 1 killed and 23 injured.

The CP rail record is equally appalling. There were 29 accidents, 5 killed and 10 injured. For other accidents, and I again presume this to be rail crossing accidents involving personnel other than railroaders, there were 19 accidents, 2 killed and 19 injured.

I think I have given sufficient documentation and statistical material to indicate to members present this evening that this particular piece of trackage is a suicide run as far as Canadian railwaying is concerned. There has been a good deal of carnage throughout the Fraser canyon for a great number of years. I make no reference whatsoever, except incidentally, to the number of people killed building the railway. I think we have to admit it is the toughest terrain in the world. In spite of the fact it is difficult terrain, we have to assure ourselves that the maximum safety standards are always adhered to.

According to an editorial in the January-February *Canadian Railwayman*, the number of CP and CN derailments across Canada in 1972 is up three times over 1959 and nearly double that of 1969. The CTC became so alarmed over this increase that a rail safety committee began an intensive study of the problem in 1970 and to date had issued three volumes of a five-volume report. If the last two are anything like the first three, they will be equally devastating in their criticism of current safety measures on Canadian rail lines. Canadian Railway Labour Association spokesman J. M. Walter, in the same editorial, places the blame for wrecks squarely on the shoulders of the rail companies. He asks why, if as they railways insist many of the committee's recommendations have already been instituted, the derailment record remains so bad, and why there was not a cutback by at least two-thirds in 1973 over 1972.

There is no doubt about it, without pressure from CTC reports and the safety advisory committee the rail lines would have persisted in ignoring safety and men's lives would have been sacrificed for the sake of the buck. In the northern part of British Columbia, track maintenance is

deplorable. Last fall, in seven subdivisions with authorized manpower calling for 126 section men and foremen, only 56, or less than one half, were on the job. I had an opportunity to ask Mr. McMillan and his chief of operations, Mr. Hunter, about this in committee hearings. He admitted that even the new rates of arbitrated pay were still too low to attract sufficient manpower to that region.

We could go on to document the fact of poor track maintenance and resulting poor rail safety because it applies throughout the whole system, but perhaps I have made the point. Men on the job and retired railroaders constantly write me with complaints and suggestions. Members of the Brotherhood of Locomotive Engineers have been under a legal threat since 1972 because they dared to push to CPR with respect to a litany of 30 or more and working condition safety complaints, many of them centering in the Fraser caynon.

After last weekend's accident, the chairman of the Standing Committee on Transport and Communications received a wire from the engineers calling for the installation of ditch lights, slide fences, padded engine cabins and roll bars to prevent future fatalities of the kind that occurred. I have a few suggestions to offer the Canadian Transport Commission in their pursuit of better safety. First, I think we have studied this problem long enough. We should start telling the railways what to do, give them a time to improve and, if they do not improve, take strong sanctions against them. Second, we should start publishing the results of inquiries, produce the facts, name names and shed the full light of publicity on the people responsible for the problem. There are far too many rail accident inquiries hidden in CTC files. If the CTC needs a PR man or a PR department to publicize what they are doing, then I urge them to obtain one.

Third, the present regulation limiting a railway employee called before management on a disciplinary matter regarding one of his colleagues to speak on his behalf, is not sufficient. Why not consider making a CTC official available for all kangaroo courts in which they issue demerits, and make certain there is an independent person in addition to the employee concerned and the management personnel, before management is allowed to hand out demerits. There is a club in Vancouver called the Take 30 Club. This is a group of people who have had to accept at least 30 demerits. It puts them in a certain kind of jeopardy.

Fourth, the CTC should constantly and actively seek information from the rank and file, and not limit itself to receiving information from labour representatives who have to pay part of the national rail leadership in Ottawa. Someone has suggested that with the publication of reports from the CTC rail safety committee and the stablishment of the CTC union-management safety advisory committee, things are improving. We are rounding the bend, they say; there is light at the end of the tunnel. Let us hope that rounding the bend doesn't lead to another derailment, and that the light at the end of the tunnel is not affixed to the front end of an on-rushing freight train.

● (2010)

I should not like to turn my attention to a matter of great importance, that is, the subject of pensions, especially those of retired railway employees who have no one to fight on their behalf, neither the unions nor railway management. One is reminded of the plight of the family of the former minister of labour, the hon. member for Verdun (Mr. Mackasey) whose father was a railwayman. I do not think he would mind if I were to reveal the story.

[Mr. Rose.]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time has expired, and under the Draconian measure to which we agreed earlier today there can be no extension.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, the hon. member for Regina-Lake Centre (Mr. Benjamin) when addressing the House earlier today talked about the enormous land grants given to the Canadian Pacific in the eighties and nineties. Those grants were made 75,80, nearly 100 years ago. Yet they are still called up continually by detractors of this railroad. Let us think about the background to these land grants. In the eighties everything possible was done to attract settlers to Canada. One way of doing this was to give land to a corporation and hope that the corporation, on a private basis, could stimulate settlement.

The CPR did a great many things for this country. The program put out by the CBC based on a story prepared by Pierre Berton is the story of the building of Canada. Looking back now, it might seem the country was well rewarded in return for these grants of land. The railway encountered extraordinary difficulties when it tried to raise money by pledging what were then considered to be worthless land holdings. The government gave the railway a few built-up lines, $25 million and a pile of land, and that is all the company ever received.

What do we hear from socialists on this side of the House such as the hon. member for Regina-Lake Centre? He wants to take over the CPR. He wants to do that because it is the only railway we have which has made a profit and made it consistently, and done a job and done it consistently. The hon. member's party is only calling for nationalization of this railroad because party dogma demands it, because of a philosophy developed in Regina years ago in another era. These people to my left simply carry it on because they have no new policy, no new philosophy, no new drive for the development of Canada. They do not believe in the building of Canada. They believe in the nationalization of Canada. They believe in putting Canada in blue jeans. They believe in making everybody equally poor. They do not really believe in the development of a transportation system.

A week ago I was amazed to read in Toronto papers and elsewhere statements made by the minister that the transportation system is botched up. Well, who has been botching it up? I was a Liberal government which appointed the famous Edgar Benson to be in charge of the CTC. It took a guy who had messed up the financial affairs of this country and put him in charge of transportation so he could mess that up, too. I pity the minister if he has to work with Edgar. But he should have known better when he accepted this portfolio.

The minister says he has no authority to do things. He has all sorts of authority under the National Transportation Act. It is time he used that authority to develop a

consistent transportation policy. A new transportation policy does not need to be based on the nationalization of the CPR. That is old crap. If we are talking about the nationalization of railway companies, let us compare the activities of the CP and the CNR. On one hand we have a railway which from rail operations alone was able to make $57 million a year, according to the last financial statement; on the other hand we have a railway which before debt is taken into account makes $23 million and, when debt is taken into account, lost $17 million.

An hon. Member: Where did you get that figure?

Mr. Blenkarn: They talk about debt. When I was a student in high school they said the reason the CN failed to make a profit was that it was forced to carry a heavy load of debt caused by being obliged to take over a lot of bankrupt railway companies. The truth is that the debt charges, in terms of total revenue, borne by the Canadian Pacific is in excess of cost of interest on debt paid by the Canadian National. Yet every year this House is required to pour money into the CNR to keep in operation the inept management of that railroad.

One of the major problems the country faces is this: we are stuck with a national railroad which is improperly and ineptly managed. It is not managed as a business; it is managed in a political fashion, and therein lies the problem. It is not managed sensibly or capably. In the early 1950s, the financing of the CNR was reorganized. We settled all its debts. It was virtually debt-free. Who was appointed to manage that railroad? A pseudo-politician by the name of Donald Gordon. He had a great record of experience: he had worked for the wartime prices and trade board; he was in charge of the Bank of Canada. This gave him long experience in working for government. They put him in charge of CNR. That is how government departments run government departments.

How is Air Canada run? We appointed a president, a fellow by the name of Baldwin. He worked for the Department of Transport for a long time and then suddenly it was decided he should go into the private enterprise system and run Air Canada. You know, Mr. Speaker, you cannot run a business like you run a government department because politics and business do not necessarily mix. Business is concerned in doing things effectively and efficiently, while politics is not business-oriented. Politics is interested in social affairs, and those two things do not mix.

Mr. Orlikow: Tell us about Brinco and Moores.

Mr. Blenkarn: Let's not worry about Brinco and let's not worry about Moores. He may be a bit misguided in some ways, but he is doing a good job in that province—a lot better job than the fellow you have running the province of Saskatchewan.

One of the difficulties about Crown corporations is that in the railway field the CPR has it made. I am sure friends to my left will agree when I say that the CPR is responsible for moving 55 per cent of the grain in this country while the CN is responsible for moving 45 per cent. The CPR doesn't like to move grain any more than the CNR does, but the CPR is really smart; they hide under the umbrella of state ownership and they move exactly 55 per cent of the grain. They organize their boxcar movement on the basis of the efficiency of the CNR. If the CNR were to move its quota of boxcars, the CPR would move its quota of boxcars. The CPR is fortunate to have the CNR around because the CNR, a nationally-owned corporation, is the prime example of poor, inept socialist management of a Crown corporation. This is exactly the kind of thing that happens when you have socialism—you have inept management, which leads to inept political management.

● (2020)

If, Mr. Speaker, you had had the opportunity to attend the meetings last fall of the House committee on transport and communications when it was debating Bill C-164, you would have been shocked at the way the management of the CNR and Air Canada spent day after day trying to bamboozle members of parliament. We asked them some embarrassing questions, like some of the questions I asked about the Bessborough Hotel. Let me tell the House about the Bessborough Hotel scandal. This is a hotel which is worth, on the books, $3 million to $4 million. If appraised on the basis of efficient management, it is only supposed to be worth $800,000. The Bessborough Hotel property occupies some of the choicest land in the city of Saskatoon. The bricks and mortar alone, on anybody's appraisal, are worth $1,600,000.

Somewhere along the line the CNR lost $400,000 in 1971 and another $400,000 in 1972. That year they decided they had better fix the place up, so they spent another $214,000. So there is $1 million. They then decided they would like to get rid of this lemon because they could not operate it properly, so they called for bids. A fellow went from Saskatoon to Montreal and offered $1,600,000 for the hotel. They snapped that up like a lunge going after a small fish. Having bought the hotel for $1,600,000, it was immediately mortgaged for $2 million. That is the kind of management you get from socialism. They do not know which end is up, and if they do know which end is up, they do not know where down is.

The Hotel Bessborough scandal—which is what it is—is what you get from the management of Crown corporations. One reason we get that kind of management is that politicians appoint to boards of directors people who really have no vested interest in the success of their company. They know that if they need a little more money to do the job, they can always call upon the government. They plead with the House that they are doing a necessary job, just as the CNR pleads with the committee for $5.6 million for hotel expansion because hotels are necessary for the community. Yet the CNR has not yet invested 1 per cent of its own money in hotels.

The history of Crown corporations in this country has been abysmal. The suggestion of the New Democratic Party that the railroads be nationalized is amazing. They suggest the CPR be taken over by the government. At least at the present time the government of Canada is collecting enormous corporate taxes from the CPR. What kind of corporate taxes is the government collecting from the CNR? None.

The truth of the matter is that a railroad never makes a profit. And if it did, it could go on to the year 3000 and never pay a dime in taxes. The truth is that this railroad

must continue to be fed and fed because it has management that is inept. The reason its management is inept is that the government uses jobs on the board of directors of the railroad, and this, that, and the other thing which goes with the perks of office, as a reward to its friends. It looks after those people it likes to look after.

The problem with Crown corporations is politics. This is why the socialists want to become involved—because they are in league with the bureacrats. They really do not care about the ordinary guy, about the taxpayer, and neither does the government. They want to reward their friends, to look after everybody. They have a paper image, if I may call it that. This is the kind of situation we have with socialism, and that is the intent behind this motion.

Of course we have many transportation problems in this country, but a lot of them are caused by stupid, band-aid measures that are taken by the government. For example, we have a frozen branch lines policy. Although there are rail lines in this country that are no longer required, we do not have a government that is prepared to do something about them.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but the time allotted to him by agreement earlier today has expired.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, after listening to members of the opposition, particularly of the loyal opposition, this afternoon and this evening it is very obvious that they were not listening to the minister when he spoke in the throne speech debate and again today. It is obvious because they are repeating the same old speeches I have heard since I have been here. It is the same old swan song, the same old story.

The minister outlined to the House the problems in his department and told the opposition parties what he intended to do about them. He said he would be bringing in soon legislation that would give him authority which at the present time he does not have. At the present time he has all the responsibility but no authority. The opposition applauded the minister at the time and thought his speech was great. They know this matter had been discussed in cabinet. Yet all the opposition can do is to repeat what they have been saying all along without giving any consideration to what is being said in this House.

In other words, I believe that the purpose of being a member of this House is to listen to what a minister has to say, and certainly the announcement made by the minister should have been interesting to members of the opposition because he was telling them how he was going to resolve our transportation problems. Having said that—

Mr. Knight: What was it you said?

Mr. Guay (St. Boniface): The hon. member was not listening, and that is the problem. That is way they will not be re-elected; they do not know how to listen to members who have something to say.

The views expressed by the hon. member for York South (Mr. Lewis) are very laudable in some respects, while in other respects they are very unrealistic, at least at the present time until the government and all parties have had an opportunity to assess in depth what the ramifications of any major changes in the regulation and management of our transportation systems would mean to the social and economic well being of our country.

As the minister has stated, we do have some transportation messes and in some areas competition is not working like all parties thought it would in 1967. In fact, some members of the loyal opposition who spoke this afternoon have not suggested how to solve the problem. They were talking about us dragging our feet in respect of some of the powers we have given to these Crown corporations. Yet the same members of the loyal opposition, or at least some of them, were in power back in 1958 to 1962 with the biggest majority of any government, and what did they do? They did nothing about the problem, Mr. Speaker. They did not want to look at the needs of the country, yet they have criticized this government for years.

● (2030)

They do not like to look at these things; they just like to look at everything else—that is, everything but the real problems. They could never face them anyway, and when they get a government like this, even though it is a minority government, trying to do something for the benefit of all Canadians, what do we get instead of co-operation? I suggest all we get is criticism, with no help whatsoever, not even one small suggestion that might help.

An hon. Member: Just bring on the legislation and we will co-operate.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): I should like to repeat what the minister stated: we do have some transportation messes, and in some areas competition is not working in the way that all parties in the House thought it would back in 1967. This is one of the main reasons the Ministry of Transport was restructured in 1970, so that the minister could be given a total overview—I repeat that—of what was required on a modal and intermodal basis with the basic aim of making transportation in Canada more responsive to the objectives of the government and the needs of the people.

At that time the government said that as new social and economic demands evolved, adjustments would have to be made in the years ahead in the areas of administration and regulation. This is a continuing process and never will it be resolved by a one-time decision of any government. The process is working. The very fact that we are discussing transportation today as an important issue is proof of that, Mr. Speaker.

I think we all have a common objective, and that is an economic, efficient and adequate transportation system making the best use of all available modes of transportation at the lowest cost. That principle, incidentally, is already contained in the National Transportation Act. What this government is striving for now is the mechanism which will ensure that we can achieve those objectives in the short and long term. Unless it is absolutely necessary, it is not this government's desire to operate transportation systems, but rather, as I have mentioned before, to ensure that adequate systems are in place and

operating efficiently for the people and the economy of this country.

As the minister mentioned this afternoon, we have 694 commercial air carriers in this country. Many people do not realize that fact. We also have 48 railways which are regulated by federal and provincial governments, and we have more than 21,000 trucking companies. In addition to that, of course, we have pipelines, ferries, urban transportation systems and terminals. I do not think any government would want to be the operator of all those facilities. However, by and large most of these systems are dependent upon one another and this is why we have been evolving the Ministry of Transport concept over the past four years. The operative word is "management" and not "operation".

The minister mentioned this before, but I believe it is worth repeating: there are real problems within the area of transportation. Sure there is a lack of rail cars within this mess, and there is also freight discrimination. But there are other messes as well. The port of Montreal is a mess, but we will clean it up. Our railway access to the port of Vancouver is also a mess, and that will be cleaned up.

Ahead of us in the long and the short term lie exciting challenges. These are challenges which, if properly handled, will ensure that Canada maintains an over-all transportation system which will continue to be unparallelled by the system of any other country in the world. Many forward and positive strides have been made in the past few years. I should like to name a few of them if hon. members will listen. For example, the Ministry of Transport, as it now stands, is structured in such a way that we have better control and integration for planning all modes of transport—central planning for all ports and harbours and a ministry approach which permits decentralization of management but centralization of control.

The positive aspects of a ministry approach are such that all modes are covered, with a central ministry staff that exercises co-ordination over air, marine and all surface modes including urban transit. Integration is essential and that is why the ministry is so structed as to provide integration of all modes. The ministry concept has permitted the creation of the Transport Development Agency, TDA, as a focus for the determination and development of future technological changes in transportation.

Having regard to that aspect, under the old system we had programs which were carried on only by their own momentum. Now we can integrate and direct investments in order to get the best pay-off possible. We can direct money and resources where the need exists. There are no quick and easy solutions. For example, the National Transportation Act needs to be reviewed, and will be reviewed: but the problems are here now and we must face them. We need action here and now, and this is what the minister intends to do.

An hon. Member: Let's get on with it.

Mr. Guay (St. Boniface): Just listen for a moment; I am not through yet. The main problem in respect of the National Transportation Act is its reliance on competition. The underlying objective of the National Transportation Act is to have an economic, efficient and adequate transportation system making full use of all available modes of transportation at the lowest cost. These are some of the things that hon. members in the opposition do not like us to speak about. They hate us when we come up with proper solutions, they hate it when they know we are coming out in the right way to solve the problem, because they know they can no longer criticize us. Every time we come up with a good solution, we are criticized because they do not know anything but criticism. They never offer good solutions or suggestions.

To carry on with what I began to say, this objective is sound, but how you translate objectives into action is where it is weak. The role of the ministry—

An hon. Member: Who wrote this speech, Joe?

Mr. Guay (St. Boniface): I could write some of your speeches and make sense of them. The trouble with most members in the opposition is they do not know how to put speeches together. I could write them and I could make them flow, but if I wrote some of their speeches I guarantee they would make a lot more sense. I am sure their constituents would be surprised if they heard a speech that was well written. If their constituents read some of the things they have said this afternoon, in the House, I would be surprised if they re-elected them.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): The role of the ministry is to define national objectives. What are those national objectives? They are a transportation system that is an integral part of regional development—but that is not the only factor. As a resource, like all other resources, a transportation system should be directed in order to achieve social and economic well-being. A transportation system should be reliable and provide reasonably priced transportation services as a fundamental right to all Canadians in all regions of Canada according to their needs. It should guarantee the provision of reliable, low-cost services for the movement of key commodities in the national economy. It should provide a system within which each mode must be allowed to provide those services, and only those, which it does best and in doing so achieve the most efficient utilization of public and private resources.

The transportation system must be responsive to our needs, both in the normal pursuit of our affairs and in times of extraordinary demands. The transportation system must be safe and people must have confidence in that safety. This is also important. It should be a transportation system which will serve Canadians from coast to coast, which will join regions and areas and allow Canadians to become familiar with all sections of Canada and not only some parts. Right now this government is working on all these types of programs and will be presenting legislation in the next few months to take care of the short term. The long-term situation, however, is another matter. But, like all parties, we can see far enough in the future to realize that as much action as is humanly possible must be taken now to minimize the recurrence of these problems in the future. That is what we call the exciting transportation challenge of the months ahead, which includes urban transportation, development of the north, a national port

policy and a safety program for all modes of transportation for the benefit of all Canadians.

● (2040)

I see I have a few moments remaining, Mr. Speaker; therefore I should like to refer to the matter of the CNR employees who for years have been asking for pensions on a parity with those of the public service. I am rather proud to say to the House tonight that I have presented a bill which was suggested by the president of the CNR in a letter to me dated March 4, which would require that these employees would be given parity pensions which they have requested for a long time and would be applicable to retired employees and those still in the service.

My bill is C-139. If I may, I should like to refer briefly to the explanatory note which reads as follows:

The purpose of this amendment is to remove Canadian National Railway company from the scope of the act in order that it may, without adding substantially to its annual deficit, improve its pension plan by providing pensions for its existing and retired employees on a basis similar to that applicable in the public service.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, it is not unusual for a minister in this government to be highly critical of a former minister in a former government for lack of action and inefficiency as well as failure to meet the problems and so on. I do not suppose that in the parliamentary history of the past 65 years there has been the kind of positive action we have seen in the past couple of weeks. After all, we have had a Liberal government since 1963. We have had a Liberal government headed by the present Prime Minister (Mr. Trudeau) since 1968. For more than ten years, therefore, the decisions in respect of our transportation policies have been made by Liberal governments on the advice of Liberal ministers of transport.

The present minister has held the position for about a year and a half. Before that we had the Minister of Regional Economic Expansion (Mr. Jamieson) and before that we had the hon. member for Trinity (Mr. Hellyer). Before that we had the man who piloted through the House the present National Transportation Act, the Hon. J. W. Pickersgill. If we are in such a hell of a mess, where were these cabinet ministers before? If they were on the job, how could we be in the mess we are in now? We are in a mess because Liberal governments set the kind of policies which we have.

The minister, when he made his great conversion—probably the greatest conversion since Saul was on the way to Damascus—attempted to implicate everybody in the mess. He said all parties were in support of the basic principles of the present transportation act under which we operate our transportation system. Nothing could be further from the truth. This afternoon my leader placed on the record some of the comments made by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) back in 1966. I wish to place on the record a few remarks made by the former member for Springfield, the present premier of the province of Manitoba, because he placed his finger on what was wrong with the act. As recorded at page 11,380 of *Hansard* December 20, 1966, he said:

[Mr. Guay (St. Boniface).]

They—

The government.

—have put too much faith in competition as an effective means of protecting the public interest.

Then he said:

I think that those regions of this country which produce primary products will be adversely affected by the provisions of this legislation when it becomes law.

We opposed the basic principle of the law then, and still do. Today we brought forth a motion which is being debated at this time which suggests that national transportation should be integrated as a public utility. We heard an attack by the hon. member for Mississauga (Mr. Blenkarn) which demonstrates clearly the reason the Conservatives very seldom win elections in this country. He demonstrated his ignorance of what goes on in Canada. He talked about public ownership as if it were the most horrible thing in the world, on a day when the Conservative premier of Newfoundland is proposing the nationalization of Brinco. He talks of public ownership as being horrible, at a time when the Conservative government of Alberta is proposing to take a 22 per cent interest in the pipeline in co-operation with the government of Saskatchewan. Since he speaks of public ownership as being something terrible, he should have said this to the present leader of the Conservative Party when he involved this country in a fiasco over heavy water in Cape Breton. It cost the country over $200 million before we produced heavy water.

There is a great deal wrong with the transportation policy of this country. We are not alone in so thinking. I have before me a statement on transportation prepared jointly by the premiers of the four western provinces, including the Hon. Peter Lougheed, Premier of Alberta. Let me read one or two clauses from this statement. Premier Lougheed agrees with the other three premiers in the following:

National policy must recognize that an efficient and adequate transportation system, making the best use of all available modes of transportation, is essential for the economic and social well-being of Canada and its various regions. National transportation policy must recognize that competition at present acts unevenly between the various regions of Canada and between large and small users of transportation services. As a consequence, the development of the western region of Canada is inhibited by the lack of positive policy direction and the discrimination inherent in our present system of freight rates.

That is what the Premier of Alberta had to say. It is almost word for word what our resolution today calls for. That was last July. The premiers asked the Prime Minister and the Minister of Transport (Mr. Marchand) to co-operate with them in reassessing the transportation system and the freight rates system and to make sure that the Canadian Transport Commission and the railways co-operated in this reassessment. They were not being unreasonable. They wanted, on a confidential basis, the actual costs of moving a whole series of important freight items. The Prime Minister and the Minister of Transport both promised that this information would be made available to the western premiers. Now, seven months later, despite repeated assurances by the Minister of Transport

nothing in the way of hard, factual information has been provided to the western premiers.

● (2050)

The Minister of Transport has said publicly that if the railways would not provide this information voluntarily, he would introduce legislation requiring them to do so. No one in this party would object to that kind of legislation. I am sure that the Alberta members of parliament would be the first to urge quick passage of such legislation. If the minister means business, why have we not had that legislation? Mr. Speaker, we have not had it because the minister does not mean business, because he is not really interested in a transportation policy and because he is not really interested in the welfare of the people of the western provinces.

The minister is only interested in picking up an issue which the people of the four western provinces have indicated is important to them and in making speeches which will get support for the Liberal Party in the next election. The minister has had more than enough time to begin to deal with some of the specific cases of discrimination and injustice. He does not need to revamp the whole transportation system, although that is a laudable ambition.

The minister knows the difficulty facing him. He knows how complicated is this country because of its size, geography, sparse population, environmental problems and all the rest. He knows that even if he meant business, he is really talking about something which would take two or three years' work at a minimum. But the people of western Canada are not prepared to wait while the minister makes brilliant speeches and is the subject of laudatory editorials. The people of western Canada, regardless of party, want action and they want it now. The people of western Canada have told the minister, the chairman of the Canadian Transport Commission and the Prime Minister the kind of problems with which they must live. They have pointed out that it costs as much to ship steel products from Regina, where a rather substantial steel plant has been built up, to Vancouver as it costs to ship steel from Hamilton to Vancouver. They have pointed out how cheap it is to ship rapeseed from Saskatchewan to Toronto and how expensive it is to ship rapeseed oil, resulting in the processing and associated industries being located in eastern Canada rather than in western Canada where the grain is grown. They have pointed out how much cheaper it is to ship livestock from Calgary to Toronto or Montreal than it is to kill the livestock in the packing plants in Calgary and ship the finished product to Toronto or Montreal. The facts are so clear and abundant that there is no reason for continual delay on the part of the government.

For the minister to speak so glowingly about the need for a new transportation policy is simply to admit the shocking lack of attention and the complete indifference of Liberal governments up until now in dealing with the serious matters that affect western Canadians. The hon. member for Mississauga may think that because these problems are 75 years old they are not important. The fact remains that they have been a cause of dissatisfaction to western Canada from the time the west came into confederation. In fact, they have become more important rather than less important. I have no confidence that the minister and the government will act. They have not acted up until now. They have not dealt with the question of freight rates. They have permitted the railways to destroy the passenger service system: the railways are still continuing that policy.

At present we are involved in the development of a short take-off and landing plant at a cost of $100 million. What will this do? I suppose it will get people from the heart of Ottawa to the heart of Montreal in an hour and a half. But, Mr. Speaker, the railways have been moving people from Ottawa to Montreal in two hours over the last 50 years. Instead of encouraging the railways to upgrade their service and to carry more passengers, the government has permitted them to downgrade passenger service so that people are encouraged to travel from Ottawa to Montreal by any other mode of travel. I use these two locations just as an example. People are encouraged to take a plane, to take a bus; and even with a worldwide shortage of oil, people are encouraged to drive their own cars rather than take a train. We have had another illustration of what the railways and the government think about passenger service.

Mr. Deputy Speaker: Order. I am afraid I must interrupt the hon. member; the time allotted to him by special order today has expired.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I welcome the motion put forward today by the NDP because it gives me a chance to speak once again on what has become my favourite lead-off topic in the House. I do not apologize for my interest in transportation because there is no doubt in my mind that it is the most important single element related to economic policy in Canada. After all, it was the provision of transportation between east and west that brought this country together.

It is shocking that the Minister of Transport (Mr. Marchand) should stand in this House and confess that the government has no policy, and that what policy it has, has failed. We have been stumbling along for the past six years without a transportation policy. It is even more shocking to hear his parliamentary secretary somehow blame the opposition for this lack of transportation policy. He seems to forget that his party has been in power for ten years. His party passed the National Transportation Act. His party has been responsible for administering that act. Surely he is reaching for extremes, reaching for the clouds when he tries to place the blame on the opposition.

After that the hon. member for Winnipeg North (Mr. Orlikow) got up and stated categorically that he has no faith in the present minstry, that he does not believe they are capable of enacting proper legislation and that even if they had the legislation, he doubted they would enforce it. Through you, Mr. Speaker, I simply ask him: Why do you keep this crowd in power? You have had your chance, and you are doing nothing.

● (2100)

If there was any question of the urgency of this problem, the fact that we ran into a simulated oil energy crisis is an example. It turned out not to be a crisis of supply but a crisis of transportation. In its shortsightedness, this government had not provided facilities to move the oil

from the west to the east. There is also the fact that we ran into a wheat transportation crisis because, again, in its lack of wisdom and failure to formulate a proper policy this government has not provided the facilities to move the grain to the ports so that it can be shipped to the export markets which we have developed.

The crisis is here, the problem is here, and this motion is very appropriate at this time. I agree with the premise of the motion, that we need some sort of policy to end indiscriminate rail line abandonment, to do something about supplying new, modern equipment to move goods and get passenger service back where it should be. I agree with all those things, and action should be taken to get us out of this mess.

Having said that I agree with the objective of the motion, my agreement with the party that proposed it ends. I certainly do not agree with the approach my socialist friends would take. It is too easy. They always say that if something is not working, it should be nationalized. But surely we have had a great deal of experience in this country and know what happens when something is turned over to a Crown corporation. We have seen the horrible mess in the Post Office. Surely any business operated as that one is would not long survive. We saw what happened with the waste and duplication in Manpower offices. Also, there is the horrible example of the CBC. But the thing that disturbs me most, Mr. Speaker, was referred to briefly by the hon. member for Central Nova (Mr. MacKay) earlier today: it is all right to talk about public ownership, but judging from what I have seen during my time in this parliament, once something is turned over to public ownership the public loses all control of it.

We have had examples of this in the Standing Committee on Transport and Communications when officials of the CNR and Air Canada have appeared. We have watched them deliberately dodge questions when they did not want to give information on the operation of those companies. Surely this information should be public knowledge and at least available to the representatives of the people. We have seen what happens when Crown corporations are set up: parliamentary control is lost. This does not make me very receptive to any suggestion of further nationalization of our transportation system.

In his speech on March 7, when he first admitted that things were in such a mess, the minister told us what we in the opposition have been telling the government for six years; things, incidentally, that everybody knew. I do not know why it took the minister so long to become aware that the transportation policy had broken down, but at least we can give him full marks for admitting it in public in the House. I cannot agree with all that the minister says because I do not think he can lay all the blame for this breakdown on the legislation. I feel that there is statutory authority both in the Railway Act and in the National Transportation Act which gives the minister the power to force the railways to move grain when necessary. There is power in the National Transportation Act under Section 3(2) and section 26 for the CTC to act if it is felt that the carriers are discriminating against any particular region. These are powers that the minister has not used, Mr. Speaker, and this is my chief criticism of the minister and the government.

In committee we have heard from the CNR and Air Canada. They complain and criticize and say, "If only someone in the government would define and delineate our responsibilities . . ." The minister's appointee, Mr. Pratt, made this statement two or three years ago. He said that Air Canada was prepared to carry out its responsibilities if only the minister or someone in government would define which routes would be operated on a public service basis and which on a profit basis. The president of Canadian National Railways has said the same thing. It appears to me, Mr. Speaker, that while the existing legislation is not perfect, there are powers that can be used; therefore, this minister and this government are derelict in their duty because they have not used those powers. They have not said to the carriers, "This is your responsibility. This you must do."

I should like now to refer briefly to another matter of policy which has disturbed me greatly. This is another example of the government's failure to give direction. I was very pleased when the hon. member for Verdum (Mr. Mackasey) referred to CNR pensions today. I know that, with his vast experience in labour relations, he is a man who is entirely sympathetic to the underdog and he has always tried to give help where necessary. The hon. member referred to the sad situation existing in the original pension plan, the provident fund or, as we in the maritimes know it, the ICR pension plan. It is unbelievable that former employees of Crown corporations or quasi-Crown corporations should be expected to live under the conditions that these pensioners have been enduring for the past ten or fifteen years since they retired. It is unbelievable in this day and age that many of these people retire on a pension as low as $25, and when they die their widows are cut right off, or maybe left with $5 and—as the hon. member for Verdun mentioned—they take 10 per cent off that.

The sad thing is that there are so few of these people that it would not cost very much to give them something extra to bring them in line with present-day costs. I have not estimated the amount, but in the over-all budget of this government it would be infinitesimal. I have heard it said that there might only be about 2,000 of them altogether, and maybe 40 or 50 still working for the railway. There may be 40 or 50 widows, but those widows have no pension at all. I know the minister has compassion for people, and I know the parliamentary secretary is interested in this problem because I have talked to him about it. Here is an area where the government can give direction to the CNR and other Crown corporations. Surely there must be a way to bring some measure of justice to these people who have been deserted by the unions and the company. I call upon the minister and his parliamentary secretary to look into this problem.

We hear the argument that the National Transportation Act has broken down because it is based solely on the profit motive. I do not agree with that entirely, but we cannot disregard that motive. There is no reason why a company, whether a Crown corporation or a private corporation, should not be operated efficiently and pay its way. But in a country such as ours, with regions where a

rail line or airline cannot make a profit, such areas should be delineated as public service runs and supported from the general treasury.

This idea of phasing out the profit motive and running everything as a Crown corporation is hogwash; you have to operate a business and make a profit where it can be made. This was brought home to me a few weeks ago when the CTC held hearings on the efficiency of air services. In brief after brief the complaint was made that service in the area was not adequate because the main carrier, Air Canada, had no competition and as a result service had run down to the point where actually there was no service; In other words, if there is to be service there must be competition.

• (2110)

May I refer briefly to something the minister mentioned this afternoon. The great weakness of the National Transportation Act is that it makes no provision for regulatory authorities to supervise carriers in order to make sure they give efficient service. The minister referred to the subsidies the railways receive. Yet there is nothing to force them to upgrade service or to buy new equipment. This matter should be looked into. A regulatory body ought to be set up which on a day to day basis will make sure that efficient service is provided.

I could say much more on this topic, Mr. Speaker, but in my limited time I wish to say that I feel the Minister of Transport is sincere in wanting to clean up this mess. I know he is disturbed because the government has let transportation policy deteriorate to this point. Yet I remind the parliamentary secretary that we on this side are somewhat skeptical when we hear promises, promises but see no action. Only two years ago the previous minister of transport said in the House that he would immediately bring in an entirely new transportation policy. We have not yet seen it. Is it any wonder that we grow skeptical when the minister says he will bring in a new policy?

I feel that the legislation the previous minister had in mind was blocked either by the cabinet or by officials in the department. If these officials still have their jobs, they will continue blocking action which the present minister might take. As he does not have sufficient power to correct the ills of the transportation system, I feel that new legislation should be passed to give him that power. If he is honestly and sincerely trying to clean up this horrible mess, he can count on my full and complete co-operation in rushing the legislation through.

Mr. Paul E. McRae (Fort William): Mr. Speaker, may I begin by saying how pleased I am to have heard what the minister announced today and during the previous few days. He admits that there is something seriously wrong with our transport system. That is the only way you can straighten out a difficulty: first you must admit there is something wrong, and then you work toward realigning transportation policy by bringing in a new set of policies which will be relevant for Canadians. I shall examine some of the problems inherent in our transport system and I shall confine my thoughts first to railroads and then deal with intermodal possibilities. The root of the problem is the National Transportation Act of 1967, as the minister admitted. There is general agreement about this.

We must face the difficulty that parliament lacks control over our transportation system. Neither the minister nor parliament can exercise direct control over the CTC.

Mr. Mazankowski: That is not correct. The minister has that authority.

Mr. McRae: In some respects he has the power. However, in day to day administration the CTC has control and tends to act in the manner of similar regulatory bodies.

Mr. Mazankowski: Read section 64.

Mr. McRae: We have already dealt with that. As I said, the CTC tends to behave like other regulatory bodies in that it has become sympathetic to the views of those it is regulating. That seems to be the basic difficulty. Not long after you appoint new people to the CTC, they begin to speak and think as if they are operating a railroad. You can make similar observations about other regulatory bodies. There is a great body of literature about regulators. I think the minister, the government and parliament must assume more power in order to control transportation, particularly in view of our difficulties in moving grain and lumber this year. At Thunder Bay, there are many problems connected with grain movement, with elevators being only half full when at this time of year they should be pretty well topped up.

Our second problem which concerns the act itself is the whole notion that transportation must pay, must be competitive and must be based on competition. I do not think that is a reliable policy in a country as broad as Canada, as thinly populated as Canada. It just does not work. Although competition may work in some areas, I am not sure that we really understand the effects of competition on the railroads.

As I said, I shall also be talking about intermodal systems. It seems to me that the underlying feature of the act should be in the preamble, which should say that the act shall be designed to redistribute growth throughout the country and bring equality to the regions of the country suffering from disparity. That ought to be the aim of our transportation system. A competitive system may work if it serves Toronto, Montreal and the golden horseshoe, but it does not work in the maritimes or the outer areas of this country. With these thoughts in mind, the act ought to be changed. It should take cognizance of the notion that transportation systems should be designed to bring equality to all parts of this country. That notion is missing from the act and from the regulations governing the CTC. As a result we see massive problems in the field of freight rates. It is much cheaper, for instance, to move cargoes west than to move them east. It is cheaper to move cattle on the hoof east than to move the finished product east. Anomalies like that must be removed. I know it will not be simple to sort out freight rates, but these anomalies stem from the present act.

Something else which disturbs me is how the railroads get subsidies. How do they get them? They apply for discontinuance and then downgrade the passenger service.

It is anathema to me that a railroad should get a subsidy after it has downgraded the service. To prevent its discontinuance after the service has been downgraded, the subsidy is granted. As the previous speaker mentioned, such a system encourages the downgrading of service. In other words, the subsidy is provided for not giving service. This must be changed.

During the recess I had the pleasure of taking my family by rail to the west coast. We went out by Canadian National and came back by Canadian Pacific. The trip was interesting. I went to find out what was happening and to talk to as many railroaders as possible at various points. I had great difficulty in getting a bedroom on the Super Continental. When we got on the train there were already 15 cars well filled. The bedroom rate was $126 and the fare was $67, so that the one-way trip cost us $193. As I say, the train was full; it was hard to get reservations. They had to put on an extra car at Winnipeg. This was even though we travelled in mid-February. I must say this: the food was good, the service was good and a definite attempt was made to accommodate people who could not afford sleeping car accommodation. They had what is known as a day and night car on the train for which the price was reasonable, about $8.

The story of the CP train was entirely different. The fare cost us $232, for example, almost $40 more than the CN fare. There were seven cars on the CP train, with four or five people in each car. The company was not being at all competitive. I heard Conservatives talking about competition and about how wonderful CP is and how bad the CN is. Let me tell them there was no comparison between the services. As far as I am concerned, if there is a way to do this I will move that the subsidy for The Canadian of the CPR be reduced to $1 because they really are not doing their job.

● (2120)

Some hon. Members: Hear, hear!

Mr. McRae: I just do not grab this thing. Because it is private enterprise, it is bound to be good. Because it is public, it is bound to be bad. Although there are inefficiencies and problems with CNR, they are trying. But the CPR does not give a damn. As far as I am concerned, there should be no subsidy for CPR.

I wish to deal with some other problems. They do not deal specifically with the act but they are basic problems in the transportation system. Neither railroad is aggressive. This is one of the problems. They are not aggressive in comparison with other segments of our industry. Where were the railroads when we were talking about the Pickering airport scheme? Where were the railroads when a ground transportation scheme was an alternative? Where were they when STOL was being considered? They were not there. Where was the privately-owned CPR? The railroads have not been aggressive in the same way as other industries.

International Nickel in my area has a mine in Shebandowan, a mile or two from the CN siding. The ore is being trucked to a CP siding 50 miles away. The province of Ontario had to spend a great deal of money to reinforce the highway. There had been a series of accidents. This could have been taken to a CN siding for a small amount of money. Where are the aggressive railroads we should have in this country? This is a very serious problem.

I do not, however, blame the railroads entirely for all the problems that occurred this winter. One interesting feature of our trip is that we arrived in Kamloops six hours late. That was because on almost every siding on the north line CN had a freight train or we were sitting waiting for a freight train. I was told by employees that with one or two more trains the system would break down. CN is carrying a tremendous load. This heavy demand was creating some of the problems we were running into last winter.

I wish to talk about another problem. This has not been looked at as carefully as it might have been. I refer to the whole notion of intermodal aspects of transportation. It is the user who pays, or is it the state? When we talk about competition between truckers and railroads, are we really using similar cost figures? I cannot find decent cost figures. I can find figures based on the cost per ton-mile but I cannot find cost figures that say: In order to put a 50 ton truck on the road, it will cost so much more to build a suitable highway and maintain it. This kind of figure does not exist. I do not think we have done a decent job of understanding relating figures. Certainly of late there has been a move away from trucking and toward rail, particularly the notion of piggyback.

The other aspect of the intermodal situation we have not looked at is energy consumption. Up until now we have only talked about cost. We now have to consider the cost of energy and energy consumption. In this regard rail is certainly a far more efficient system. In terms of gross tonnage, for rail it is about 550 ton-miles per gallon. The highway user gets about 38 ton-miles per gallon, and the air user about 30 ton-miles per gallon. In terms of net tonnage the ratio is about four to one; 210 ton-miles for a railroad and about 50 ton-miles per gallon for a truck. This is another factor that has to be looked at very seriously. In terms of energy, the railways are far more efficient.

The intermodal form of transportation, the pipeline, has not been discussed in this debate. I give notice here and now that I am not at all happy about the building of the Mackenzie Valley gas pipeline. There are all kinds of problems with that, but that is another story for a future debate. In conclusion, I wish to go over what I think, needs to be done. First, control of our transportation system, particularly our railways, must be put back in the hands of parliament. Second, there must be a preamble to the act which states that one of the major functions of railroads in this country is to redistribute growth and move goods back and forth with some equality so that all areas of Canada have equal economic opportunities. Third, the subsidy for passenger service should be a subsidy for service, not taking away service. It should not be based on a system of asking to remove a service. Fourth, management must be made aggressive.

The federal government will have to assert a great deal more control and perhaps take over ownership also. In some way the railways must become more aggressive. Fifth, a much more careful study must be made of the rationalization of costs and energy use in terms of the intermodal use of our transportation system.

This country is very fragile. It is far too difficult a country to put together when railroads and our transportation system in general is not working. We cannot afford the luxury of railroads that do not care. Our railroads must be aggressive. They must work for Canadians. The control should be put back in the hands of parliament where it belongs.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, for many years I have listened to various parties discuss the problem raised today by the New Democratic Party, namely, the development of a transportation policy. I think it would be possible to take a motion that was moved ten years ago and put it today; I am sure there would be great similarity between it and the motion we are presently debating.

Governments do not have too great an opportunity to make a mark and ministers usually do not have a very great opportunity to make a mark in history. However, if the minister really understands what he said in the past few days, namely, that we have no national transportation policy and he is fed up with the fact he cannot provide boxcars to move national produce across our nation, he will do something. If he has been watching Pierre Berton reliving, or rewriting history, and if he wants to join Pierre Berton in the second episode of the National Dream, he will try to do something about what we have suggested.

If we are going to do anything about transportation in this nation, we will have to unite all rail transportation into one unit and make it a viable force. We will have to put great effort into making the railways our national transportation system for now and for many years to come.

● (2130)

I note that the National Energy Board has been presented with the first batch of 200 pounds of documents concerning transportation facilities. They do not count them any more by the number of pages; they weigh them. This concerns the Mackenzie Valley pipeline proposal. If the dream of the government at the time of confederation had any merit, Canadians would be well advised to take a close look at this proposition and determine whether or not a railway would be the answer to bringing our resources out of the far north.

A few years ago the Russians came to this country and were impressed by our transportation system. They were developing an industrial complex in their northern region and they felt Canadians had great expertise in the transportation field. If they were to return today, 15 years later, they would find we have gone backward instead of forward. Some of our troubles are caused by the fact that transportation system is so complex. We are experimenting with small STOL aircraft. There could not be a poorer designation for an Otter aircraft than to call it a STOL aircraft. The Otter is the old Norseman, but with two engines instead of one. It is an aircraft built primarily for bush operations. Yet we propose to use it to move passengers between Ottawa and Montreal, 18 at a time, and consider this to be a step forward. It is not a step forward, it is a step backward. We are moving a bush pilot operation into the cities now, plying between cities instead of between remote rural points. A great deal of money has been spent on this project. Rockcliffe airport has been revitalized, as has the Expo airstrip in Montreal. The point is, we have dissipated our abilities in the transportation field.

If the Minister of Transport (Mr. Marchand) wants to do anything at all, I suggest he concentrate on the railroads. I think it is possible that if he were to ask the Canadian Pacific Railway to give him the railway, lock, stock and barrel, it would probably do so because those people are not interested in the railroad business. I am sure they do not have the capital invested in it nor, any more, the experts who can run it. They are interested in diversification, in industries and operations which produce far more money for them than the railroad has ever produced. The only advantage they get out of the railway is the product of the millions of dollars the Canadian people gave them, money they have used, not to maintain the railroad but to reinvest in other directions, making a pot of money in the process.

The railway operation is the poor cousin, and we are continually asked to subsidize it. The railway service should be nationalized. I believe we ought to nationalize not only the Canadian Pacific but the Canadian National as well. The president of the CNR has appeared before the railway committee on a number of occasions. He could not even tell us what the directors were supposed to be doing. One of them is responsible for the communications tower in Toronto—the needle. How will that project help operate a railroad? We must divest the railroads of the other operations in which they are engaged. I think this involves the trucking operation too, though this is open for debate; it might be that there is advantage in running a trucking operation together with the railroad.

I spoke to a senior official of the Ontario Northland railroad some time after the bad accident which took place on Highway 401 in which a number of people were killed following a collision between a truck from my area, a bus and 13 or 14 other vehicles. He told me that the Northland railway could put on trains, particularly at weekends, which could move trucks and trailers of the kind involved in the accident directly into Toronto by rail, taking this traffic off the highway and making a profit both for the truckers and for the railroad.

There is much that could be done along these lines, but if the minister intends to do anything to improve the system he should devote his attention only to the railroads. I believe we can upgrade our railroads. We could investigate new types of rolling stock, though here again there may be setbacks. I am sure we are the laughing stock of the world, having spent millions of dollars on the rapid transit system between Montreal and Toronto only to find we have not been able to match the Silver Bullet which operated some 30 years ago between Buffalo and Detroit and which could even take on water while travelling at 60 miles an hour. We have not been able to match this, and why? The CN is really more interested in its investment portfolio than it is in running a railroad.

Last year I opposed Air Canada buying into the air charter business through Wardair. I would have been happy if the intention was to buy Wardair and operate it as an airline, because I think Air Canada should be flying airplanes. But the idea was to establish an investment

portfolio. The idea, now, is to buy into Comstock. I remember Comstock as the organization which changed electric motors over from 25 cycles to 60 cycles right across Ontario. I am sure they have a lot of expertise in the aircraft industry. But Air Canada proposes to buy into it. Is this because it plans to fly De Havilland aircraft, or Otters? I doubt it. They are going to buy into it because it is an investment, and I am utterly opposed to the corporation getting into this field. If Air Canada wants to fly airplanes and be a national airline, let it stick to being a national airline, without letting third-rate carriers get into the feeder line business.

The same is true of the railways. If we were so stupid as to allow the Canadian Wheat Board to put up $400 million to buy 20,000 hopper cars—

Mr. Gilbert: Four thousand.

Mr. Peters: My hon. friend says 4,000. They already have 4,000. They have 4,000 now and the order is in for another 2,000. Over the next five years they want 20,000, at a cost of $400 million. My colleague does not know, but he did not attend many of the meetings where the Wheat Board made this request. In fact, they requested 20,000 cars, and the potash industry received $39 million from the government to buy hopper cars.

● (2140)

The premiers of the western provinces ask the federal government to upgrade roadbeds because they are unable to bear the loads of today. I suggest we will be establishing a third new railway system, one that has no engines. I imagine someone will come along shortly and say, "Let us give the Wheat Board some engines and some employees". Then the potash industry will ask for some engines. So we will be providing the rolling stock and the roadbed, and the railroads are going to haul our cars because they do not have their own. In Regina they were burning cars, but agreed to allow the federal government to select some of them and fix them up. Canadian National offered to pay 50 per cent of the cost, but Canadian Pacific said the government would have to pay 100 per cent of the cost and pay for the scrap as well. If the minister is going to do anything at all for Pierre Berton, and if there is going to be a sequel to the great national dream, then something must be done about the great national tragedy of today where there are not enough cars to haul the freight of the nation.

There is no question that passenger service on the railways today is a disgrace. Anyone who has recently travelled on a train will have discovered they were travelling on the same cars that were used during the war. There have been no new passenger cars put on our railways for years and years. It costs as much for a sleeper on the CNR today as it does to stay at the Royal York Hotel.

In closing, if the minister wants to make a name for himself, he will get the support of the Canadian people and other members of this House if he will concentrate on making the railway system of Canada a viable unit, making this unit, as Mussolini did, run on time and provide service to the Canadian people, something the railways are not doing at the present time.

[Mr. Peters.]

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I welcome the opportunity to speak on this opposition day on the motion proposed by the hon. member for York South (Mr. Lewis) on behalf of his party. One of the main things I have become more aware of over the years is transportation, and the CPR has been foremost in this respect. I am reminded of the story that I once heard and believed to be true, that when the hon. member for York South was appearing before the board that was selecting Rhodes scholars, one of the board members, who was president of the CPR at the time, asked him what he would do with the CPR if he had the chance. The hon. member replied, "I would nationalize it". Now, some 30 years later, he is still taking up the same cause.

My involvement with the CPR started very early in my life. The hon. member for York South talked today about the land that the CPR was given by the Canadian people. I happen to have been born and raised on one of these sections of land and I was there for about 21 years. I ran a farm and in the last few years before I joined the air force we had, in my opinion, a fair deal from the CPR, especially during the thirties when it was very hard even to make any kind of payment. I should like to remind hon. members what land costs today in the province of British Columbia since the NDP government has taken over. I am sure the hon. member for Fraser Valley West (Mr. Rose) knows full well of what I am saying.

There are certainly many problems in our transportation system. It seems to me that to say they can all be solved by nationalization is a gross oversimplification. The problems are very real and must be faced with determination. I can tell the House from experiences I have had with the CPR on many occasions that I have found them superior to the CNR. During some 13 trips that I made in wartime over the Rocky Mountain passes from the prairies to Vancouver, I always found the CPR superior in every way to the CNR. During the change from reefer cars to mechanical cars, the CPR at least constructed new cars and made them large enough to conform to Canadian and United States regulations, whereas the CNR did a great deal of converting of cars. Thus the load limits of their cars are too small. Both of these railway companies, however, have let Canada down. The CNR, in my opinion, is certainly no example, and if nationalization is the answer, then they should be.

I get many complaints from my constituents regarding the mail service that is run by the Post Office, a government department. The Post Office had a program of assured mail. The program was supposed to assure prompt delivery, yet letters took anywhere from a week to ten days to come to my home town from Vancouver, 300 miles away. This shows lack of leadership. If we are to have nationalization and government-owned companies, they should be setting the example.

The Minister of Transport (Mr. Marchand) has finally recognized that truth of what I said in the transport committee on November 20 last year when the president of the CNR was a witness. As reported at page 20:92 of the committee proceedings, I said:

I know that there are two railways. The CPR is almost as bad. I would certainly be recommending that the CNR people go on the block and sell to a private enterprise, but here we have a private enterprise that cannot do very much better.

It has come to the point, to my way of thinking, that the railways are really telling the government. The government is not telling the railways. Probably the person in the government that I should be talking to is the Minister of Transport, because I think it is high time this government sould be doing something about telling the railways and making sure that they have the rolling stock and have the cars.

In the fruit and lumber industry there is a crucial shortage of cars in British Columbia to haul the products. The railways are recommending that the companies buy or lease cars themselves. It almost appears as if the shortage is deliberate so they can force or bully these companies into buying cars, thus freeing them from any responsibility to do so. This is a responsibility that I believe must rest with the railways. Once they have bought cars, I would not trust the railways even to return the cars to their original destination. The next step would be for the railways to say, "Now you have bought the cars, you may as well buy engines too". This is not what I would call showing responsibility. Certainly the government should see to it that the railways carry out their responsibilities. The railways should be told they will not receive any subsidy unless they listen to what the government says. Instead, the government allows the railway companies to operate on tax dollars in spite of the fact that one of them is already government-owned. Perhaps it should hold back these grants in the hope that this might make more responsive the attitude of the railways to government demands.

● (2150)

I am very pleased to see that the Minister of National Revenue (Mr. Stanbury) is here this evening and I hope he will listen to my remarks. We had a problem in my constituency as a result of which we were sending products to the United States and shipping them on U.S. railways to eastern Canada because we could not get rail cars from a Canadian carrier. Suddenly there was an order issued that Customs officers should not go down to seal these cars. I think the excuse given was that it was too costly, even though the U.S. carrier was prepared to pay the cost of the trip of the Customs officers in order that the cars could go through the United States. This was being done on a short line of the Burlington Northern Railway which was running into Canada. A bridge had been washed out on the rail line and they were loading cars for us and shipping out of a small point just below the border. I suspect it was this action by the railway that caused the government to take certain action.

Let me read from a letter I received from the Minister of National Revenue as follows:

Originally we were advised by the Canadian railroad that they could supply the required rolling stock.

I do not know which railroad he meant by that. He went on to say:

Subsequently it was ascertained that there was, in fact, a scarcity of reefer cars in British Columbia and the railroad could only look after their regular customers.

There certainly was a shortage of reefer cars in Canada, but as far as we were concerned we had always been a regular customer. The minister continued:

—it would seem prudent for B.C. Tree Fruits Limited to get in touch with Canadian carriers to discuss their requirements for rolling stock so that they will be considered as "regular customers" and the problem can be eliminated.

It is very evident that Canadian railways still cannot supply sufficient rolling stock and that is the reason there is a shortage about which the grain people are complaining. It is for that reason the lumber people, the fruit people and almost anyone you might consider is complaining about rail service in Canada. Our grain shippers are surely regular customers of the railways. Perhaps they should be told to get in touch with these companies in respect of their requirements, in order that they can be considered as regular customers. The minister should and must know that these people are all regular customers. There is a problem but it will never be solved by that kind of action or that kind of statement.

If we are to solve these problems, the government must become more responsive to our needs and take stronger action. If that were the case, I suggest we would not be told that nationalization is the cure-all for everything. We must put the onus on these carriers, and we must take a hard line with them.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, during the debate on the CNR bill in 1968 I suggested that the trouble with the CNR was that there were too many chiefs and not enough Indians. Tonight I suggest that the Minister of Transport (Mr. Marchand) should fire the chiefs and let the Indians take over. I am sure that then the railways would be operated at 100 per cent efficiency, because the workers are transportation men, they know the transportation business and they could rectify the problems we are now facing. They could provide the services and the CNR would make a lot more money. These men have spent their lives in the railway business, whereas the officials have not.

During the past winter a man told me that there were no cars and no locomotives available because they were being held away from home at terminals for up to 24 hours. What a way to run a railroad! Certainly the CPR makes money because it takes only the cream and leaves the milk for the public system. There was no money in passenger business, and the CPR gave the public system what was left after it had done with it.

Canada is a large country and the CNR has to take the good with the bad and provide service to areas which the CPR will not handle. Between Windsor and the United States border the Canadian Pacific Railway makes plenty of money on their short and long haul freight runs, as nearly all the traffic is long-haul and the CNR has to look after the short as well as the long haul runs between Sarnia and Portland, Maine.

If a person buys stock in a company, he has the right to attend the annual meetings and question the president and officials about the operations of that company. However, thousands of railway employees pay into pension plans but are not supplied with any information about the type of investments made. The employees could not care less where the money is invested, but surely they should receive an annual statement showing a list of those investments and the interest made. All the employees are asking for is open books and proof that the CNR and CPR pension funds are not generating a 2 per cent pension per year of

service. We should give the employees of the CN and CP and other railways the facts and let them decide what they want done with their pension funds. Surely these employees have a right to know where their money is being invested and at what rate.

Canada does not have a deep-sea merchant marine. The government is, however, taking the first step toward strengthening and enlarging our small fleet by closing the coastal trade to all but Canadian vessels. Legislation will soon be introduced to make this effective. Nevertheless, this legislation will take into consideration the fact that parts of Canada, especially the eastern provinces, are dependent upon water-borne transportation and the viability of their enterprises may depend on the lowest possible rates by water.

A second step to enlarge our fleet may occur in Arctic regions, where Canadian resources should be exploited by Canadian technology, giving rise to Canadian enterprise and employing Canadian labour. None of the major shipping countries of the world has vessels that can operate safely in the Canadian Arctic except for a few months a year. The ministry is currently devising ways and means of encouraging Canadian enterprise to take up the challenge of operating Canadian flag vessels in our Arctic on an extended season basis.

In the past, Canada has bought its deep-sea transportation at economical rates from the lowest bidders, whether they be Liberian vessels, British Commonwealth vessels or Russian vessels. This has been favourable costwise and ships have always been available. The changing pattern of world shipping must now be studied to determine whether Canada will be able effectively to continue marketing its products worldwide and at a reasonable cost without any ships of its own.

The Acting Speaker (Mr. Laniel): Order, please. It being ten o'clock, it is my duty to inform the House that pursuant to section 11 of Standing Order 58, the proceedings on the motion have expired.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—PRESENCE OF DES IN UNITED STATES CATTLE IMPORTED INTO CANADA

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my remarks tonight are addressed to both the Minister of Agriculture (Mr. Whelan) and the Minister of National Health and Welfare (Mr. Lalonde). On two separate occasions, on February 28 and March 6, I tried to get an answer from these ministers on a question of vital concern to all Canadian consumers. I asked what the government was doing to ensure that no beef would be imported from the United States which came from cattle fattened with the chemical agent DES.

Reliable evidence has been available for some months that the chemical DES causes cancer in both humans and animals, and on the basis of that information the present government banned the use of DES in this country. In the meantime, the United States supreme court handed down a decision overthrowing the ban on its use in that country and this has raised a very serious question. It means that there is a danger that DES-treated beef can be imported into Canada and pose a threat to the health of Canadian citizens. That is my concern in this matter.

I thought that, between the two ministers, I would have received some assurance that the government had worked out this problem at about the same time the ban on the use of DES in Canada was imposed. However, Mr. Speaker, it now appears that nothing was done. The Minister of National Health and Welfare said on March 6 that necessary steps would be taken to ensure that DES-treated beef would not enter Canada. That was not good enough. He should have said that necessary steps had been taken months ago. It would appear that the health of our citizens is less important to the minister than football franchises.

When the use of DES was banned in the United States there was no guarantee that all beef producers in that country stopped using it as a feed additive. There is no way in which we can know whether or not we have been importing DES-treated beef during the period of the ban, because we have not required exporters in the United States to certify that every beef carcass had been inspected and found to be free of DES. Traces of the chemical can only be detected in the livers of slaughtered cattle, and even then slight traces of DES can go undetected unless very careful tests are made.

I heard recently that the government will undertake spot checks of beef being imported from the United States to ensure that none of it contains DES. This falls far short of what is needed. We cannot do less than demand that every carcass intended for export to Canada is checked and certified. We must insist that the liver test be made on all beef intended for export to this country, and that could not be made at border points. Last year, for instance, we imported 160 million pounds of retail cuts of beef from the United States, and it is obvious that the tests must have been made at the slaughterhouses under United States government supervision.

We cannot do less than demand that guarantee, Mr. Speaker. I think it was in 1952 that we had a serious outbreak of hoof and mouth disease in the western provinces, and the U.S. imposed a total ban on beef imports from Canada until they got assurances that Canada was free of the disease. When a health hazard is known or even suspected in imported foods, the United States government does not hesitate to erect the necessary safeguards for their citizens. Why should we be prepared to do less for our citizens?

Mr. Speaker, we are told that there are two ways that DES can be used to fatten cattle. The first is the way I have already mentioned, and that is by adding DES to the feed. The other way is what is called an ear implant: the chemical is implanted in the ear of the cattle. This can be done many times during the period the animal is being

fattened. It is widely believed that the marks of DES implants can be detected on the ear of a slaughtered animal, but while it might be possible in some cases it is not a sure test. And even if we could assume that it would be a valid test, there would still be animals that were given DES in their feed. In those cases we should have assurances that tests had been made on the livers of the slaughtered animals.

We should not lose any more time in setting up some kind of arrangement whereby the United States government would certify that all beef exported to Canada had been tested at the slaughter-house and found to be free of any trace of DES. We cannot, and must not settle for less than that, Mr. Speaker.

It is significant to note that the U.S. court did not overthrow the ban on the use of DES because the hazard to human health had not been proven. It was overthrown on a purely legal point in that the U.S. food and drug administration had not held public hearings on the issue before the ban was imposed. The ban was imposed on the basis that DES presented a hazard to human health, and there is good reason to suppose that a ban will be imposed again in that country as soon as the legal niceties have been ironed out.

In the meantime, no one in Canada can be sure that DES-treated beef will not show up on food counters. In fact, we cannot even be sure that we have not been eating DES-treated beef during the entire period of the ban in our country, which dates from January, 1973. This is an appalling situation and one that cannot be passed over with the answer that some day, someone in the government is going to do something about it.

In conclusion, Mr. Speaker, I must say that the Minister of Agriculture (Mr. Whelan) and the Minister of National Health and Welfare have been irresponsible in the handling of this matter. They made the assumption that all U.S. beef producers would discontinue the use of DES during the period of the ban, and therefore all beef that we have imported from the U.S. has been free of the chemical. That was a dangerous assumption.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I have listened with interest to the remarks made by the hon. member for Victoria-Haliburton (Mr. Scott) and would like to point out that on March 6, 1974, when the Minister of National Health and Welfare (Mr. Lalonde) responded to the hon. member's question, he indicated that there would be no importation of DES-implanted beef into Canada. That decision still stands.

I do not think it is really fair or responsible to become so alarmist as to indicate that people have been eating DES-treated beef when there is just no evidence to show that that has been so. The Department of National Health and Welfare is very deeply concerned with the health of Canadians, and it has been concerned with this question for a considerable length of time.

As the hon. member pointed out, up until the decision was made by the supreme court in the United States on January 26 to throw out the embargo on the use of DES in that country, it would have been unreasonable to think that some farmer, either an American or a farmer in any other part of the world, would have been so silly as to run the risk of destroying all his herd by implanting DES when such beef was not allowed to be sold in the U.S. or in Canada. I have a considerable number of rural people in my riding, just as the hon. member has in his, and they are certainly not dumb enough to do anything like that; and I do not think American farmers are that dumb, either.

In any event, we in the Department of National Health and Welfare have an inspection branch which is responsible for this kind of health question. It is not under the jurisdiction of the Minister of Agriculture at all. The Minister of Agriculture is concerned with the protection of farmers and with the quality of beef that is imported, but is certainly not directly involved in how it might affect the health of Canadians. That is our responsibility. We are discharging that responsibility. We have said that no beef implanted with DES will be allowed into this country. We are making representations this week to the Americans, through the Department of Agriculture, informing them that we want primary certification in respect of any beef that will be brought into Canada from the U.S. or else we will have to close down the border to imports of beef. I think that is a pretty strong and determined stand that we have taken.

We are concerned about the problem. We are certain DES—implanted beef has not arrived in this country to date, and there is no way it will be available to come in until May 24, 120 days after the ban in the U.S. was lifted. We assure Canadians, including all members of this House, that DES—implanted beef will not be allowed into this country under any circumstances.

● (2210)

ENERGY—REASON IMPERIAL OIL ALLOWED TO DRILL FOR OIL AND GAS IN BEAUFORT SEA BEFORE COMPLETION OF ENVIRONMENTAL STUDIES

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise tonight on the subject of gas drilling in the Beaufort Sea, a matter which seemed to upset the Minister of Indian Affairs and Northern Development (Mr. Chrétien) when I brought it up last week. It was just last week that the minister claimed that a heap of silt dredged from the floor of Shallow Bay is an island. In a moment or two I will be returning to the subject of this so-called island.

Today, tears of joy must have come to the eyes of various ministers as a long awaited dream came true and an application was presented to the National Energy Board to export natural gas from the Mackenzie Delta. This project evidently has the support of the Prime Minister (Mr. Trudeau) himself. Last December, dreaming of all the precious gas reserves that might one day be sent south of the border via a Mackenzie Valley gas pipeline, the Prime Minister declared to the House:

> The government believes that it would be in the public interest to facilitate early construction by any means which do not require the lowering of environmental standards or the neglect of Indian rights and interests.

One would hope that environmental standards and native rights would be of some importance in the drilling for this gas which the government seems to eager to export, but there is some question as to whether this is the case in the drillings now going on in the Beaufort Sea.

Two weeks ago we were told that the government would allow no offshore drilling until environmental studies are completed, two years from now. At about the same time we learned that Imperial Oil had made a substantial find after drilling from a man-made offshore sand bar in the Beaufort Sea. But this was not offshore, insisted the minister; this was an island. Imperial Oil named it Adgo, or something like that. I suggest that after the spring break-up the island will no longer be there, so I call it a sand bar.

Oilweek, the government's favourite ecology magazine, stated on page 17 of its March 4 issue that Adgo is, and I quote:

—made of dredged silt, now frozen. It will "self-destruct" during spring break-up.

Mr. Speaker, it will disappear like the sand bars in the Mackenzie River which I have seen disappear after a flood and perhaps reappear further downstream.

It would appear that the only purpose of building the island at all was to snow the minister and his people who advised the Tuktoyaktuk council to grant a land use permit. A land use permit to drill for gas in the Beaufort Sea! The minister knows, or ought to know, that if a blow-out occurs it will take between four and eight months to drill a relief well. That can mean a lot of gas, and maybe oil too, in the Beaufort Sea. And is this such a far-fetched possibility? Imperial's first island well, Immerk, had to be capped after drilling to a depth of 7,000 feet because of the intense pressures encountered, well above the level at which they said this could happen. As *Oilweek* put it:

Geopressures will continue to cause moments of excitement as drillers attempt to harness high pressure zones.

Mr. Speaker, I hate the thought that at every "moment of excitement" serious damage may be threatened to the environment and to the native peoples of whose heritage it forms such an important part. I should like the minister to produce the environmental studies on the basis of which the government allowed the Beaufort Sea drilling to go ahead. I believe this would be a minimal indication of the government's sincerity in protecting environmental standards and native rights. If not, it will become very plain that the government speaks with a forked tongue.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am glad that the hon. member rose tonight, but I am a bit surprised by the tone of his remarks because he is the member for the Northwest Territories and should be happy that we were right when we gave the permit to drill from land on a man-made island and that we have found oil and gas in that formation so quickly. Now the people of the north can be assured of a great future because we have found the way to drill efficiently and to protect the ecology at the same time.

Being the member of parliament for this area, he is not very well advised to come here today and tell me I was wrong when I got the permission of the people of Tuktoyaktuk to drill from a man-made island in very shallow water. There is no great problem there, such as there would be if you were drilling either from a platform or a ship in deep water. The drilling was in very shallow water and was carried out in accordance with regulations the government had put forward after studies had been carried out by my department, and after the advice of experts of the Department of the Environment and the people involved in the wildlife service had been given. So, Mr. Speaker, I think this is a great moment for the people of the north. They see that there is even more oil and gas there. This will help the economy of the north.

The hon. member raised the question of the Mackenzie Valley pipeline. That pipeline is very important because it will mean that the resources in the north will some day be available for the Canadian market. The pipeline will not be used only for transportating American resources, Alaska, of course, being an American state. There is gas there which will go through the pipeline to the American market, but I hope at the same time that we can use that pipeline for Canadian resources we are finding in the north, resources which will meet the needs of Canadians. If there is enough there, perhaps we can sell some to the Americans. But if there is to be no pipeline, the resources we are finding in the north will not be available to Canadians. I therefore think that it is important for Canadians, because energy is so important.

We must utilize the resources we have. We have been drilling for them in a safe way on a man-made island built in shallow water in the Beaufort Sea. By so doing we are making sure that Canadian resources will be available for Canadians. These are resources for the south which come from the north. I therefore welcome this discovery by Imperial Oil, which came after drilling had been done in shallow water in the Beaufort Sea. The hon. member should be just as happy that we are proving to Canadians that the north is a great part of Canada.

Motion agreed to and the House adjourned at 10.20 p.m.

HOUSE OF COMMONS

Friday, March 22, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

FOREIGN INVESTMENT REVIEW ACT

TABLING OF GUIDELINES CONCERNING REAL ESTATE BUSINESSES

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table in both official languages copies of the foreign investment review guidelines concerning real estate businesses.

Mr. Speaker: Introduction of bills. First reading of Senate public bills. Government notices of motions. Oral questions.

Mr. Diefenbaker: Mr. Speaker, I wanted to move a motion. Apparently it was not brought to the attention of the Chair. I would ask the House to grant leave because it is a matter of extraordinary importance to western Canada.

Mr. Speaker: Perhaps we might revert to motions for the purpose of allowing the right hon. member for Prince Albert to propose his motion.

* * *

TRANSPORT

CLOSING BY CANADIAN NATIONAL RAILWAYS OF CERTAIN SASKATCHEWAN SUBDIVISIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, under the provisions of Standing Order 43, by leave of the House I would move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That this House condemns as indefensible the action of the Canadian National Railways in totally or partially closing 21 of the 41 railway subdivisions in Saskatchewan for freight under the grain block loading system and for other carload traffic for an indefinite period at a time when the shipment of grain to the major markets is of imperative importance, and the action taken will result in serious and detrimental consequences to the farming population of the province of Saskatchewan in particular as well as to the national economy.

Mr. Speaker: The House has heard the motion proposed by the right hon. member for Prince Albert under the terms of Standing Order 43. It requires unanimity. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

• (1110)

[*Translation*]

SOCIAL SECURITY

PROPOSAL TO INCREASE OLD AGE PENSIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Henry Latulippe (Compton): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to discuss a very urgent and important question.

I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House ask the government to consider the possibility of raising the old age security pensions to $200 a month for a person of 60 and his spouse under 60, and to abolish the supplement now subject to a needs test.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

VETERANS LAND ACT

POSITION OF GOVERNMENT RESPECTING TERMINATION OF LOANS ON MARCH 31, 1974

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister and the Minister of Veterans Affairs I wish to direct a question to the Acting Prime Minister. It arises out of a letter dated March 20 written by the Minister of Veterans Affairs to

the hon. member for Charlevoix in which the minister gives this explanation:

[*Translation*]

—will put an end to the applications made by veterans eligible for obtaining loans to buy a property.

[*English*]

In view of the fact the letter, which is dated the day before yesterday, indicates that the program of loans to veterans for the purchase of property will terminate on March 31, 1974, and gives the reasons for this, will the Acting Prime Minister state whether this still represents the policy of the government?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the House is aware, the government has been reviewing the situation in light of the speeches that were made in the House when a motion was moved to extend the date. This consideration is still under way and no decision has yet been reached.

Mr. Stanfield: As the Acting Prime Minister has indicated the matter is still being considered, I gather this statement in the minister's letter does not represent the policy of the government. In view of the great concern all across the country about the termination of this program at the end of this month, can the Acting Prime Minister tell the House that the government will give the House its decision very early next week and terminate the inexcusable uncertainty that faces the veterans of this country?

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, I can assure the Leader of the Opposition that just as soon as the decision is made it will be communicated to the House.

Mr. Bell: Playing with the veterans.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. In addition to the discussion taking place in cabinet on the March 31, 1974 deadline, was consideration given to repealing the October, 1968, deadline for certification, increasing the maximum loan ceiling from $18,000 to an amount to meet today's requirements and to reducing the minimum lot requirements?

Mr. Sharp: Mr. Speaker, these views, which the hon. member has expressed on previous occasions, are also being looked at in cabinet.

Mr. Marshall: In view of the fact that an extension of the deadline will require an amendment to the Veterans Land Act and as there are only five sitting days left next week before expiry, will the Acting Prime Minister assure the House that that legislation will be introduced before March 31?

Mr. Sharp: Mr. Speaker, as I said in reply to the question from the Leader of the Opposition, just as soon as the government's decision is made it will be communicated to the House.

[Mr. Stanfield.]

CONSUMER AFFAIRS

ACTION TO PREVENT POSSIBLE FURTHER INCREASE IN PRICE OF BREAD

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs I wish to direct a question to the Acting Prime Minister. Oh, he has arrived. In the presence of the Minister of Consumer and Corporate Affairs I should like to direct this question to him. In view of the fact that the Food Prices Review Board yesterday reconfirmed that a general increase of two cents on a loaf of bread was all that could be justified at present, and in view of yesterday's statement by the Bakery Council that a further increase of one cent can be expected, what steps is the minister taking to protect the consumer from the effects of this general stampede by the bakeries to get higher prices at the earliest possible moment?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think there is some misunderstanding on the part of the hon. member. According to the information I have with respect to the situation, the bakeries are going along with the position taken by the board, and the increase referred to by some industry spokesmen is the one cent increase which the board would consider justified in individual cases if there were costs which would call for an increase of that sort.

Mrs. MacInnis (Vancouver Kingsway): I believe the minister omitted something in his reading of the statement by the Bakery Council. The council has indicated it is seeking a general increase, not an increase in individual cases as the board recommended. In view of this situation, is the government now prepared to bring in legislation to enable the Food Prices Review Board to make its decisions stick?

Mr. Gray: Again, my information is that the position of the Bakery Council is not that stated by the hon. member. If it is in fact the case that the bakeries are not, in effect, agreeing with the position taken by the Food Prices Review Board, there will obviously be a responsibility on the part of the government to take appropriate action.

PRICE OF BREAD—NEED OF INDEPENDENT BAKERIES TO HAVE INCREASE TO REMAIN IN BUSINESS

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I ask the minister whether the government intends to bring in a measure to allow the independent bakeries to stay in business, because the information I have is that if they are not permitted to increase the price of bread many of these smaller independent bakeries will go under, something which would be to the detriment of the consumer?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, recommendations in this area were made in the report of the board yesterday and they are certainly being given urgent consideration. It is interesting that the hon. member should now be speaking for business rather than for consumers.

[*Translation*]

SOCIAL SECURITY

STUDY OF TOTAL COST OF ALL PROGRAMS COMPARED WITH COST OF PROPOSED GUARANTEED INCOME

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Minister of Finance. Has he ordered the department to make studies on the total cost of all social assistance programs now in effect in the provinces and at the federal level and has he compared those costs with those suggested by the Social Credit Party of Canada, in other words, does the minister consider the establishment of an universal and guaranteed minimum annual income program as financially feasible?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are continuously reviewing the programs whose cost the provinces and the federal government share in the welfare and employment fields. I am also in rather constant communication with my colleague the Minister of National Health and Welfare on this matter.

* * *

[*English*]

TRANSPORT

SHORT-TERM MEASURES TO PROVIDE RAILWAY CARS FOR BRITISH COLUMBIA LUMBER INDUSTRY

Mr. F. Oberle (Prince George-Peace River): My question is for the Minister of Transport, Mr. Speaker. I should like to return to the boxcar situation. In light of massive lay-offs—the minister is smiling. I am gravely concerned. It is not at all funny.

Mr. Marchand (Langelier): Your leader is smiling, too.

Mr. Oberle: In light of massive lay-offs in the logging and lumber industry in central and northern British Columbia, and in light of the fact that one company has been forced to cut back its operation to a four-day week, along the lines of what was done in England recently, resulting in the lay-off of 500 people in this case alone, can the minister tell us today how he is responding to the demands from his western counterpart for a short-term solution to the boxcar problem affecting the lumber and logging industry in central and northern British Columbia?

● (1120)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I hope that I will not smile at all. I think the problem is very serious. I was not smiling about it, but I think we should keep a little sense of humour.

Mr. McGrath: Don't let them take that away from you.

Mr. Marchand (Langelier): As hon. members know, ten days ago I met with the premier of British Columbia in regard to bringing Canadian National Railways and the British Columbia Railway together to find a solution. I think the best thing to do in British Columbia at the moment as a short-term solution is for the CNR to lend cars to the BCR so that lumber can be moved. I am told that they are about to reach an agreement and maybe this will produce results, but that is all that I can do.

Mr. Oberle: May I ask the minister whether he would consider a takeover of the CPR, nationalizing the CPR, a short-term solution to this problem?

Some hon. Members: Hear, hear!

Mr. Oberle: For the benefit of the members to my left, I should like the minister to explain to the House how he considers that a Crown corporation can run two railroads better than the one they are running right now.

Mr. Speaker: Order, please.

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary question for the minister. In order to understand these recent revelations about the difficulties in the Ministry of Transport, can the minister say when he discovered that the former minister had left the department in such a mess?

Mr. Speaker: Order. I suggest to the hon. member that that question is hardly in order. The minister rises on a point of order.

Mr. Marchand (Langelier): Mr. Speaker, I think that is a very unfair question. I have never indicated that my predecessor, the present Minister of Regional Economic Expansion, was in any way responsible, and probably the hon. member for Trinity was not either. I refrain from accusing any civil servant and simply say we did not foresee the situation as it is now. We are trying to correct it, but I do not accept such comments about it made in the House.

Mr. Bell: Mr. Speaker, I have a further supplementary question for the minister in charge of DREE, the former Minister of Transport. Was the minister aware when he left the Department of Transport that there were any of the difficulties that the present minister has laid on his doorstep?

Mr. Speaker: Order. The hon. member knows that that question is out or order.

PROVISION OF BOXCARS FOR LUMBER AND WHEAT—USE BY MINISTER OF POWER UNDER RAILWAY ACT

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a supplementary question for the Minister of Transport concerning the shortage of boxcars to supply the needs of the lumber industry and the wheat industry. Is the minister prepared, under section 262 of the Railway Act, to demand that the railways supply the needed equipment, and does he intend to use that power?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am going to meet with the companies and I hope with the shippers early next week to examine this question. I hope the shippers can come. The problem is that even if we start to build boxcars, that does not mean we are going to have additional boxcars next month.

Mr. Speaker: Hon. members will notice that there are quite a few who are seeking supplementaries on this question. Perhaps we should try to limit them to some extent. The Chair will recognize the hon. member for Fraser Valley West, then the hon. member for Vegreville, and we will see where we go from there.

Mr. Rose: There have been suggestions by the minister and by others in the House that the government is considering the establishment of a controller to allocate boxcars. Would the minister tell the House if there is anything new on this question, whether a decision has been reached or when he expects a decision to be reached?

Mr. Marchand (Langelier): Mr. Speaker, last week or early this week—I do not remember exactly when—I said there were at least three decisions involved in getting boxcars quickly. There was the decision to refurbish a certain number of boxcars in order to move wheat to the west coast. After that there was a decision by the CNR to spend $50 million in order to buy boxcars and locomotives. There is also a decision which is going to be taken by the government, or which is before the government, concerning a certain number of hopper cars. We are trying to handle the problem as best we can.

POSSIBILITY OF BRINGING CANADIAN PACIFIC RAILWAY UNDER PUBLIC OWNERSHIP—STATEMENT BY MINISTER—GOVERNMENT POLICY

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my supplementary question to the Acting Prime Minister. Was the Minister of Transport stating government policy when he said in the House yesterday, "Personally I am not interested in bringing CP under public ownership", or was he reflecting government policy when he said he would nationalize the CPR to members of the media outside this chamber last evening?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think the Minister of Transport is doing an excellent job—

Some hon. Members: Oh, oh!

An hon. Member: What has he done?

Mr. Sharp: —in bringing before the House and the country the very difficult and fundamental issues this country faces in respect of transportation.

An hon. Member: He has done nothing.

Mr. Sharp: May I just add that, as the minister always does, he prefaced his personal views by saying "personally".

An hon. Member: That's the whole trouble.

[Mr. Marchand (Langelier).]

MANPOWER

LOCAL INITIATIVES PROGRAM—FORMULA USED TO DETERMINE ALLOCATIONS TO CONSTITUENCIES

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the minister responsible for the Local Initiatives Program. In light of the statistics given Wednesday in reply to a question on the order paper in the name of the hon. member for Leeds, would the minister explain to the House the formula used to determine LIP allocations to each constituency?

Mr. Speaker: I trust the minister can answer the question briefly, otherwise he should indicate whether he will make a statement on motions.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the formula for the 1972-73 Local Initiatives Program has been disclosed to the House on many occasions. If the hon. member is really serious about each constituency, I would have to give the statistical details for 264 unit breakdowns, which I do not think would be possible in the time available during the question period.

Mr. Scott: If, as the minister indicated some time previously, allocations are based on unemployment figures in the area, does it follow that certain cabinet ministers' ridings have an overabundance of unemployment?

Mr. Andras: Mr. Speaker, the unemployment statistics in various areas represented the prime factor, but if the hon. member will look back at the comments made by myself and my predecessor which apply to 1972-73 he will find that is not the only factor.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Brome-Missisquoi on a supplementary and then the hon. member for Yorkton-Melville.

LOCAL INITIATIVES PROGRAM—AMOUNTS ALLOCATED TO WESTMOUNT AND BROME-MISSISQUOI RIDINGS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my supplementary question is directed to the same minister. Since he agrees that slow growth and high unemployment should be or are the criteria for awarding LIP grants, on what basis was $1 million allocated to Westmount riding represented by the President of the Treasury Board when only $300,000 was allocated to Brome-Missisquoi even though the number of applications which met the criteria from both areas was approximately the same?

Some hon. Members: Oh, oh!

An hon. Member: They have a better member.

Some hon. Members: Hear, hear!

Some hon. Members: Shame!

Mr. Speaker: Order, please. May we have order, please.

An hon. Member: Another example of pork-barrelling.

Some hon. Members: Oh, oh!

An hon. Member: Another *Bonaventure.*

Mr. Speaker: Order, please. The hon. minister may reply to the hon. member's question, but I hope we do not get involved in statistics dealing with all constituencies.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as has been pointed out on many occasions, the particular riding of Westmount contains, in addition to some rather prosperous homes, a great number of people who suffer from deep poverty. I might add that many projects approved for the riding cover a great deal wider area than the riding of Westmount, as has been pointed out by the people who have made an objective examination of this situation on many occasions.

Mr. Grafftey: Mr. Speaker, on the basis of carefully researched facts I would ask this further supplementary question. Can the minister explain on what basis grants were awarded when proportionately across Canada Liberal ridings go $2 for every $1 in Conservative ridings?

Some hon. Members: Oh, oh!

Mr. Andras: Mr. Speaker, I think it is very apparent—

Mr. Bell: There is going to be an election.

Some hon. Members: Hear, hear!

Mr. Andras: —that a great deal of the representation provided by the Liberal party in this House of Commons is from areas of Canada that do suffer from unemployment, including Quebec and the Maritime provinces. I defy any member of the House to deny that the degree of unemployment in those areas is not higher than it is in the rest of Canada.

● (1130)

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

Mr. Prud'homme: Mr. Speaker, a supplementary—

Mr. Nystrom: My question is addressed—

Mr. Prud'homme: Mr. Speaker, it is a supplementary.

Mr. Speaker: Order. I heard the hon. member as well as many other members asking for supplementaries. I indicated previously I would recognize the hon. member for Yorkton-Melville, who has been recognized.

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SCIENCE AND TECHNOLOGY

INQUIRY AS TO AWARDING OF CONTRACTS TO HUDSON INSTITUTE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Science and Technology. In view of the fact that Herman Kahn's think-tank, the Hudson Institute, recently established a branch office in Montreal which is apparently directed by a former Power Corporation vice-president, Claude Frenette, I should like to ask the Minister of Science and Technology whether or not contracts are being given to the Hudson Institute by her department and, if so, what is the nature of the contracts?

Hon. Jeanne Sauvé (Minister of State for Science and Technology): Mr. Speaker, the nature of our relationship with the Hudson Institute is that of an annual subscription which has been going on for a number of years.

* * *

INDUSTRY

ROLE OF HUDSON INSTITUTE COMMITTEE ON CORPORATE ENVIRONMENT AND DEPARTMENT OF SUPPLY AND SERVICES IN FORMULATING POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary is directed to the Minister of Industry, Trade and Commerce. In view of the fact that the Hudson Institute is now in Canada and has established a committee on the corporate environment, and as the minister has a representative on that ongoing committee, I should like to ask him what the role of that committee and the Hudson Institute is in the future formulation of an industrial policy in this country?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, it is just one of a number of different and important inputs. It is concerned with the corporate environment from 1975 to 1985.

Mr. Nystrom: In view of the fact the Minister of Supply and Services has just issued a statement saying that he has entered the field of futures' research to do forecasts in social, political and economic fields, and also in view of the minister's statement and Khan's ideas on the tar sands, I should like to ask the Minister of Industry, Trade and Commerce what impact that committee and what impact the new adventures of the Minister of Supply and Services will have on industrial development in this country in the future?

Mr. Gillespie: Mr. Speaker, I think that is far too general a question to give a succinct answer. I have already indicated that the corporate environment study is a worldwide study which includes Canadian firms as well as international firms. I think the Department of the Minister of State for Science and Technology, which has retained the Hudson Institute and did so when I was minister, is the only government department of any government in the world to participate in this kind of adventure. I think it is a very useful type of activity.

Mr. Speaker: Order, please. I suggest to the minister and hon. members that we have reached the point where supplementaries might be placed on the order paper or the minister might be given an opportunity to make a statement on motions.

Mr. Nystrom: On a point of order, Mr. Speaker, my understanding was that the Minister of State for Science and Technology said that the Hudson Institute had not been retained. The Minister of Industry, Trade and Commerce now says it has been retained. I think this is a very

important issue. Perhaps the Minister of State for Science and Technology should be allowed to shed some light on this very important question.

Mr. Speaker: Then perhaps we should have two statements on motions. The hon. member for Yukon.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF REASONS FOR SUICIDES, INCIDENTS INVOLVING DISCHARGE OF FIREARMS AND DISAPPEARANCE OF NARCOTICS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Solicitor General. In light of the apparent alarming incidence of suicides and attempted suicides, incidents involving the discharge of firearms, and the disappearance of narcotics from police exhibit lockers, I should like to ask the minister whether any internal inquiry is going on within the RCMP to determine the reason for these rather alarming incidents?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am not sure whether the hon. member is referring to suicides within the RCMP, among members of the force.

Mr. Nielsen: Yes.

Mr. Allmand: We have had suicides from time to time, unfortunate cases, but I do not know whether the level is one that would be alarming. We are always concerned when there are suicides and measures are taken to try to deal with personality problems, but I do not think there is an alarmingly high level in comparison with the level among the general population.

Mr. Nielsen: Mr. Speaker, I am not referring to the level of suicides but rather to incidents involving suicide attempts, suicides, the discharge of firearms, and the disappearance of narcotics from police lockers—there is a trial now going on in British Columbia in that regard. In view of such events, which seem to be on the rise, would the minister say whether an over-all internal investigation is now being conducted within the force to determine the reasons?

Mr. Allmand: Mr. Speaker, the hon. member refers to two things. One is the disappearance of narcotics. I must say that no particular case has been brought to my attention recently where there has been taking of narcotics by RCMP officers. There have been cases where the use of firearms by members of the RCMP has led to unfortunate incidents. Members of the RCMP all have weapons, and there have been cases where they have been used against themselves and against others in unfortunate incidents. We are trying to make sure that the rules we have in effect in this respect are followed.

[Mr. Nystrom.]

[*Translation*]

COMMUNICATIONS

CABLEVISION—POSSIBILITY OF AGREEMENT WITH QUEBEC

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Minister of Communications.

Would he tell the House whether there has been an agreement with Quebec about cablevision? If so, what were the points of agreement?

Hon. Gérard Pelletier (Minister of Communications): The answer to the first part of the question is no, Mr. Speaker; therefore it is also no to the second part.

* * *

[*English*]

STATISTICS CANADA

SUPPLYING OF MAILING LISTS FOR COMMERCIAL PURPOSES—GOVERNMENT POSITION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. The minister recently stated he was reviewing the selling of lists by Statistics Canada and would report back to the House. Is he now in a position to clarify this situation?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, several weeks ago my colleague, the Minister of National Revenue, and I both agreed that the practice of selling lists should be reviewed. Statistics Canada thereupon suspended the selling of lists until the review was completed. I am now advised by Statistics Canada that the review has been completed and that it has discontinued the practice of selling these lists.

ACCURACY OF STATISTICS ON AMERICANS TEACHING AT CANADIAN UNIVERSITIES IN LIGHT OF INDEPENDENT SURVEYS

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I have a supplementary for the same minister. Noting that a large discrepancy exists between figures published by Statistics Canada on the proportion of Americans teaching at Canadian universities and similar statistics published by independent surveys of academics, will the minister now instruct Dr. Ostry to reassess the survey base used by Statistics Canada in obtaining such information?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I will draw the representation to Dr. Ostry's attention.

COMBINES

PROPOSED ADMISSION OF STATISTICS CANADA DATA AS EVIDENCE IN PROSECUTIONS WITHOUT RIGHT OF CROSS-EXAMINATION TO TEST ACCURACY

Mr. Ron Atkey (St. Paul's): I have a supplementary, Mr. Speaker. In view of the matters just raised by my colleague concerning statistics and the accuracy of the nationality of university and college teachers in Canada and also in view of revelations yesterday concerning the extent of confidentiality of Statistics Canada data related to unemployment insurance claimants, would the minister indicate whether he or his department were consulted or even approved the sections in the Combines Investigation Act amendments now before us which would make Statistics Canada data admissible in evidence in any prosecution or proceeding under that act without the right of cross-examination for purposes of testing accuracy?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there is always a large amount of inter-departmental consultation with regard to any legislation. I cannot give a precise answer to a specific point, but I will undertake to make inquiries and report back.

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ADMINISTRATION OF JUSTICE

REQUEST FOR LEGISLATION TO ENABLE RECOVERY OF DAMAGES FOR LOSSES CAUSED BY WRECKING OF DAMSITE AT JAMES BAY POWER PROJECT

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, will the Minister of Consumer and Corporate Affairs and/or the Minister of Justice give consideration to accelerating the introduction of revisions to federal legislation to ensure that the taxpayer will have full right of recovery for losses resulting from the actions of the persons or groups found responsible for the wrecking of the LG II damsite at James Bay?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): I will be pleased to bring this to the attention of the Minister of Justice.

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● (1140)

INFORMATION CANADA

ALLEGED MARKING UP OF PRICE OF BOOKS ON HAND

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of Labour who is responsible for the operation of Information Canada. In view of the fact that the practice of marking up prices of goods on hand is frowned on by the Food Prices Review Board and by his colleague, the Minister of Consumer and Corporate Affairs, as well as by customers, would the minister explain why Information Canada is following the practice of marking up the prices of books on hand, as a matter of fact, even above the shelf list price?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I believe I am aware of the particular incident to which the hon. member is referring and which was written up in the press a day or two ago. I am checking that matter out. As far as I am aware, no policy has been approved by Information Canada of indulging in such a practice, but we are checking the accuracy of that particular incident.

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ENERGY

INQUIRY AS TO REQUEST BY NEWFOUNDLAND GOVERNMENT FOR ASSISTANCE IN NATIONALIZING BRINCO

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Finance. Can he tell the House whether he has been approached by the government of Newfoundland for assistance in that government's proposal to nationalize Brinco?

Hon. John N. Turner (Minister of Finance): No, sir.

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SOCIAL SECURITY

STOLEN SOCIAL INSURANCE CARD—ALLEGED REQUEST TO PERSON TO CHANGE NAME

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Acting Prime Minister. It concerns a constituent of mine who has had his social insurance card stolen and his identity is being used by another person.

An hon. Member: By a member of parliament?

Mr. Kempling: This is a serious matter, so please listen to the question. This person is accepting employment in my constituent's name and has amassed criminal charges that are presently standing in the name of my constituent. Inasmuch as this has been known to the government since 1972 and the government has refused to issue a new social insurance number, claiming that it would cause confusion in the Canada Pension Plan, UIC and National Revenue, but has recommended that my constituent change his name legally—

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Mr. Speaker: Order, please. Would the hon. member ask the question.

Mr. Kempling: My question is whether it is the government's policy to advise citizens to change their names legally to accommodate the government's computer system?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the answer is in the negative.

Oral Questions

MANPOWER

LOCAL INITIATIVES PROGRAM—AMOUNT ALLOCATED TO CONSTITUENCY OF VANCOUVER CENTRE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the minister in charge of the Local Initiatives Program and concerns Liberal ridings in poverty areas. Why is it that when the minister made his announcement the minister in charge of housing and urban affairs was to get $1.3 million in his riding while on the order paper we find that his riding has received $3 million? Could he explain that?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think the hon. member is mixing two fiscal year periods. I believe the information tabled the other day related to one fiscal year and included extensions before May 31 whereas the second figure referred to the projection for the 1973-74 period. If I am incorrect, I shall certainly check the information, but I think the hon. member is mixing the two figures. On the basic question, it should be recognized that a great number of projects did receive extensions and many of them had as a basic mailing address the particular constituency to which they were credited but in fact the activities were carried on city wide and in some cases on a region-wide or province-wide basis.

Mr. Reynolds: Is the minister telling me that the sum of money allocated to the minister's riding was cut from $3 million last year to $1 million this year?

Mr. Andras: I presume that is the conclusion the hon. member can come to, yes.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have a supplementary question. Why did the riding of Brome-Mississquoi receive more funds than the riding of Saint-Denis?

Some hon. Members: Oh, oh!

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AIR CANADA

NEGOTIATIONS RESPECTING USE OF WINNIPEG AS OVERHAUL BASE FOR BOEING 727 AIRCRAFT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport. As Air Canada has not ruled out Winnipeg as the location for the overhaul base for Boeing 727's, can the minister explain what part he is taking in these negotiations and if there is a firm date when part of the Dorval overhaul base will be returned to Winnipeg?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it is well known that this is a problem which Air Canada is studying. Of course, Air Canada is the one that will decide where the base will be located, but I know that my colleagues from Winnipeg are interested in the matter and it is being discussed. We hope we can find a solution that will be satisfactory to both Montreal and Winnipeg.

[Mr. Sharp.]

NATIONAL DEFENCE

DATE OF COMMENCEMENT OF USE OF WINNIPEG BASE FOR AIRCRAFT OVERHAUL

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my supplementary question is for the Minister of National Defence. As the minister has previously announced, military aircraft are to be overhauled at the Winnipeg base. When will this overhaul work commence?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the repair and overhaul of Boeing 707's is related to the previous question of the establishment of further repair and overhaul work in Winnipeg. I am discussing this development with the Minister of Transport.

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ENERGY

PROPOSED MACKENZIE VALLEY GAS PIPELINE—NATURE OF INQUIRY ESTABLISHED BY MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and it is based on his reply to the House yesterday when he said he will be setting up a special inquiry board headed by a judge to look into specific aspects of the Gas Arctic pipeline application. Can the minister tell the House just when this board will be set up, will it be holding public hearings and, particularly, will it be holding public hearings in the northern territories?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, there will be public hearings in the north and the inquiry board has been set up this morning. Mr. Justice Tom Berger of British Columbia Supreme Court has agreed to be the commissioner.

Some hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

FAMILY ALLOWANCES—INTERPRETATION OF WORD "PARENT" TO EXCLUDE GRANDPARENTS—REQUEST FOR CHANGE

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in the absence of the Minister of National Health and Welfare I should like to direct my question to the acting minister. In view of the fact that departmental officials administering the Family Allowance Act are interpreting the word "parent" not to include grandparents and are taking away family allowances from children who have lost their parents, would the minister consider changing the regulations immediately so as not to contravene the intention of parliament on this issue?

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I can assure the hon. member that this very interesting point, which I do not think has been brought to the attention of the department before will be looked into very carefully.

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SUPPLY AND SERVICES

REQUEST FOR AWARDING OF MORE CONTRACTS TO BRITISH COLUMBIA FIRMS

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question I should like to direct to the Minister of Supply and Services. Having in mind the fact that the department now place approximately $1 billion worth of federal contracts across Canada every year and that only approximately 4.4 per cent of the business goes to British Columbia firms, would the minister give consideration or is consideration being given to equalizing the situation for the benefit of western Canadian firms and workers?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I do not have the figures for the current year. If the hon. member is willing to wait, in one month I shall have the figures for 1973. In any case, sometime in May we intend opening a regional office to serve British Columbia, which will certainly contribute toward an increase in the number of purchases made and the amount of money spent in this province.

* * *

[*English*]

PENITENTIARIES

MILLHAVEN—ASSAULTING OF GUARD BY INMATE—DISPOSITION OF CHARGES OUTSTANDING AGAINST PRISONERS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Solicitor General. It concerns the serious and insecure situation at Millhaven prison in my constituency. It results from an incident Wednesday evening at Millhaven prison in which Donal Pyke, a guard, was assaulted by a prisoner and seriously injured. Will the minister hold an investigation into this incident and all the other troubles there with the objective of charging prisoners who assault guards?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there is an investigation under way at present. I might say that the two inmates who attacked the guards have been placed in dissociation.

Some hon. Members: Oh, oh!

Mr. Allmand: The institution is partially closed as a result of the difficulties and we are conducting a thorough search of all cells in the institution to find weapons and other instruments that could be used in attacking guards.

● (1150)

Mr. Alkenbrack: While the Solicitor General and his department are conducting this investigation, will they also deal with the other 153 outstanding charges against inmates now outstanding for more than a year and still not processed?

Mr. Allmand: Mr. Speaker, I do not know if there are that many charges outstanding. I am surprised at that allegation but I shall check into it.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

BENEFIT TO DRUMMONDVILLE UNDER FEDERAL-PROVINCIAL AGREEMENT

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

As concerns the agreement between the federal and Quebec governments providing for the investment of several thousand dollars in Quebec, could the minister tell the House whether special attention will be given to the Drummondville area?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I would have to look at the details of the agreement to answer the hon. member specifically. In a general way, however, I am quite certain that there will be assistance in the region to which he referred for specific industries and in order to strengthen the industrial base of that region.

* * *

NATIONAL DEFENCE

CONSIDERATION OF TECHNICAL ADVICE BY SERVICEMEN IN EXTENDING LIFE OF CENTURION TANK

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in view of the fact the Centurion tanks in service in the Canadian Armed Forces date from 1946 and 1947, and that in consequence many of the crews are younger than the vehicles they man, will the minister say whether the government, in reaching its decision to extend the life of this elderly veteran, while at the same time refusing to extend the Veterans Land Act, gave full consideration and weight to the technical advice supplied by those servicemen who have devoted their lives to the role of armour in the Canadian Armed Forces and in modern warfare?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker, the advice of the experienced personnel in the Canadian Armed Forces is always taken into consideration in these decisions.

Mr. Speaker: Order, please. We are approaching the end of the question period. The hon. member might ask a supplementary and I will then see the hon. member for

Winnipeg North Centre, the hon. member for Malpeque, and call orders of the day.

Mr. Munro (Esquimalt-Saanich): I should also like to know whether due consideration was given to the intelligence reports reaching the minister and the government about the tank strength of the Warsaw Pact powers facing NATO?

Mr. Richardson: Yes, Mr. Speaker, all factors were taken into consideration. The Centurion has performed well. It is, as I am sure the hon. member knows, a very effective tank.

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PENSIONS

RAILWAY EMPLOYEES—INQUIRY AS TO APPOINTMENT OF COMMISSIONER TO CONDUCT INQUIRY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Labour. Further to the answer the minister gave me on Monday, March 11, may I ask if he is yet in a position to announce the appointment of a commissioner to go into all aspects of railway pensions, including the position of those already retired from all railway lines in Canada?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, this is a possible way of dealing with it. If it were the most beneficial and if it were desired by all parties, I think it could be proceeded with quite rapidly. All that remains is to determine whether there is a better method. We hope to decide that very shortly.

Mr. Knowles (Winnipeg North Centre): If the difficulty is with the CPR, will the minister get the assistance of the Minister of Transport?

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MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—PRINCE EDWARD ISLAND—REQUEST FOR EXTENSION OF DEADLINE FOR APPLICATIONS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the Minister of Manpower and Immigration. In light of the fact that the position of OFY co-ordinator for Prince Edward Island was vacant for many months and was filled only one day before the March 15 deadline for submission of applications, will the minister give sympathetic consideration to extending that deadline in these special circumstances or at least give sympathetic consideration to applications that have been or may be received late?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as of the other day we had received and coded about 93 applications from Prince Edward Island. I have looked into the matter and I do not think there is justification for extension of the March 15 deadline there or anywhere else. I do not think P.E.I. applicants received any less aid than those of any other province. It is true there was a change in the co-ordinator. There is no co-ordinator in each province; this one happens to be headquartered in Halifax for the maritime region. A new co-ordinator was hired early in March but the previous one remained in office until his replacement arrived, so the Atlantic region has never been without a co-ordinator. There was a project officer in P.E.I. until January 31 and that position was filled shortly thereafter. In the meantime, there was a very competent secretary who helped those applicants she was able to and referred all others to Halifax where they received assistance. OFY information was sent to schools, libraries, CMCs, the Student Manpower Centre, universities, and the Atlantic regional co-ordinator went on television and—

Mr. Speaker: Order, please. It seems to me that the minister is making a statement. Orders of the day. Is the hon. Leader of the Opposition rising on a point of order?

Mr. Stanfield: No, sir, on a question.

Mr. Speaker: We have reached the end of the question period but with consent the hon. Leader of the Opposition might be recognized.

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ENERGY

INQUIRY AS TO MEETING NEXT WEEK BETWEEN PRIME MINISTER AND PROVINCIAL PREMIERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Acting Prime Minister whether the Prime Minister has invited the premiers of the provinces to meet with him next week and, if so, can he tell the House what day the meeting will take place and the nature of the discussion that is to take place?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I can confirm that the Prime Minister has asked the premiers of the provinces to meet with him next week and the invitation has been extended for Wednesday.

Mr. Speaker: Orders of the day.

• (1200)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—SUGGESTED NEED FOR DAIRY POLICY AND INCREASED SUBSIDY FOR MILK

Mr. Roch La Salle (Joliette) moved:

That this House, considering the necessity for a reform of our troubled dairy industry, requests that the government immediately introduce its policy on dairy products and, furthermore, that it announce an increase of two dollars in the price paid per hundredweight of milk.

Mr. Speaker, I am very happy to speak as member for Joliette, a constituency very much interested in that

industry which is experiencing difficulties and danger at the present time. As I must reply first to those who are involved in the dairy industry in my constituency, and considering the importance for the dairy producers in my province who represent, I believe, 50 per cent of the dairy production in this country, and without forgetting of course all the milk producers throughout Canada who are also worried, I am convinced that our party had to reply to the invitation of the people responsible for the dairy farmers of Canada as well as the Quebec Federation, and all those closely or less closely connected to it, to consider such an important question, since the minister responsible for this should also let us know about the decisions of the Canadian Dairy Commission in a few days.

I believe our suggestions, our speeches today will, I hope, reply to the people concerned and to the suggestions they made to us a long time ago and I hope of course the suggestions and recommendations that I will have the opportunity to make and that all members will make to the government will prompt the government to reply in a very clear and precise way, taking account of the importance of this question.

We readily recognize that the milk producers' situation is untenable and again, as I know that the Canadian Dairy Commission will let us know their new policy in a few days, it was exceedingly important, I believe, to select this day and to enable all parties to speak on this question. In this way, we meet fondest wishes of all those concerned with this industry.

Mr. Speaker, the dairy farmers of Quebec and the dairy farmers of Canada who produce industrial or fluid milk met with representatives of all political parties. The members held discussions recently with these officials and we know full well that the officials of the dairy industry are still waiting for the answer they sought. Considering the importance of an early answer, I believe it is our duty to press the government to intervene much more rapidly.

Mr. Speaker, why are we in such a situation and why has the government waited so long? Personally I have been receiving briefs from responsible organizations warning of the danger facing us and this dairy industry today, namely the possible collapse and the obvious inadequacy of milk production in this country.

Responsible organizations have made repeated representations and requests to the government which were ignored, I regret to say. For this reason alone, we are holding today a special debate on the matter and we note a deep concern among milk producers as well as a reduction in the number of milk producers which is increasingly being felt.

Therefore, does the government intend to act? I feel that all the same the government cannot allow such an industry to deteriorate much longer. We are quite aware of the importance of this industry for the consumer or the ordinary citizen, as well as the huge amounts invested in it. Therefore, we have every reason to believe that the government intends to act, but we thought that it was about to act five, four or three years ago.

Once again, this year we find ourselves in a situation where responsible organizations have to send delegates to Ottawa to try and sensitize us again as well as to urge us as an opposition party to force the government into action. I think this is unfortunate. Today I hope that by outlining our party's position which fully agrees with the recommendations of the dairy farmers of Canada, there will be no hesitation. We urge the government to respond to the dairy farmers, that is to meet the producers' wishes and requirements.

Therefore, in view of the fact that my province produces 50 per cent of the Canadian milk, I am calling upon all Quebec members to compel the government to meet the essential requirements which would enable the producers to stay in business.

I would like to make a few remarks on the main recommendations made by the Dairy Farmers of Canada. They make no bones about saying that the government should formally commit itself without delay to implement a national policy providing that it will use our dairy production to meet the needs of Canadians.

It is only natural that milk producers should obtain the assurance that they may produce according to consumer needs. And if a government will not acknowledge this fact, I wonder why, because it would then prevent Canadians from producing a commodity which would meet Canadian needs.

The brief goes on, and I quote:

> 2. Never in the past have the representatives of the milk producers of Canada, assembled in annual meeting of Dairy Farmers of Canada felt so strong a sense of urgency and concern: urgency over the need for basic commitments and decisions that must be made by the Government of Canada over the next month or two; concern that if those commitments are not made, and the decisions wisely taken, serious and perhaps irreparable harm will be done to Canada's dairy industry, and to the basic interests of Canadian consumers and the Canadian economy.
>
> 3. There are three essential priorities:
>
> (i) an overall increase in returns to industrial milk and cream production equivalent to at least $2.00 per hundred pounds of milk.

As all hon. members know, government ministers met with Quebec officials recently. That was reported in the press, and it was shown that an additional $2 would be a minimum. As for us, we understood that those figures were justified and the needs were real, and we readily support that recommendation which is vital for the future of the milk industry.

Is this government now in a position to respond in the same way rather than wait a few more weeks? We know producers are concerned and it is up to us to dispel those anxieties. I think this government could at least answer this question today by making, and I quote:

> (ii) a commitment by the federal government, and preferably by Parliament in legislative form, to future maintenance of income from milk production at fully adequate levels.

I said earlier that it is absolutely necessary for us to try and match production with consumption. Of course, it is always difficult for the Commission to come up with accurate forecasts. However, when we consider that this year, we had to import 54 million pounds of butter, we have every reason to be shocked by those irresponsible and inaccurate forecasts. Therefore, milk producers have grounds for complaint, because they are compelled to restrict their production and to accept butter imports worth 54 million pounds.

● (1210)

It has also been stated in the light of serious studies made that as the situation is now evolving, we will have to import another 100 million pounds of butter. I would think that no one in this House will accept that without a word and that we will all try to force the government into acting quickly.

I was told recently that the number of milk producers had decreased, and please correct if I am mistaken, but I think that the number has been cut in half during the past five years. It will be stated that the producers involved are older people who have decided to give up dairy farming. This is not true, Mr. Speaker.

For instance, some forty milk producers have decided to auction their stock this year, and we are already expecting still a further spectacular and extraordinary number of auctions later on. These people know their arithmetic and they realize that they cannot at the present time support their families with what they get from their dairy operations. They have therefore decided to sell their farms.

And do not dare tell me that it is because these people are getting tired and have reached a ripe old age, that they have decided to live off the Old Age Security Pension, for it is simply not true! Obviously then, milk producers need normal and adequate incomes to cope with the needs of their families. I do not think Canadians will be against that. No hon. member will be against this principle either. Just how far can we go with words to try and solve these problems. I therefore urge hon. members to try and understand how important it is to solve this persistent and dangerous problem which might jeopardize the future of the milk industry in Canada.

Mr. Speaker, they also ask for one quota system for industrial milk and cream, instead of the present double system of marketing quotas and subsidy quotas. It is quite normal, logical and legitimate to give a favourable answer to such a request.

We know perfectly well that in view of the fact that the production quota is not subsidized, this results in a price that is below the cost of production. There again, those who followed the problem of our dairy industry are perfectly aware of this fact and cannot deny it. They will recognize that this is fair and true, but nothing has been done for two years in this regard. And yet, we knew long before today that dairy farmers were obliged to produce milk at a loss. Therefore, I suggest that the consumer himself will understand and will not demand that dairy farmers produce at a loss. Nobody wants to work without getting a minimum return, an adequate return. As regards those three priorities of our party relating to milk producers' requests, I hope that all hon. members will give a favourable answer and will oblige the minister to make a policy statement now rather than to wait ten more days. But if we must wait for ten days, if this is what the Canadian Milk Commission wants, then we agree to wait ten more days.

But when the Canadian Milk Commission makes its announcement, I hope that the minister who, I am sure, is aware of the situation, will respond as hon. members so kindly did. The Postmaster General (Mr. Ouellett) took part in discussions and met dairy farmers; by the way, I read his statement which was encouraging. But there again, following their recent meeting with government members as well as Social Credit Party, NDP and Progressive Conservative members dairy farmers hope to get satisfaction because their claims are justified.

So I do hope that this debate and this chance that we have today to reply favourably to their requests will also be followed by positive action on the government's part.

Mr. Speaker, I continue reading the brief from which I select very interesting abstracts:

> These things must be achieved for the 1974-75 dairy year beginning April 1st.
>
> The major shortfalls in the present position and policies of the Canadian dairy industry are as follows:
>
> Returns to producers of industrial milk and farm-separated cream are sharply below necessary and equitable levels: necessary to provide Canadian consumers with their requirements for industrial milk products; equitable in relation to the income milk producers must receive for their labour, their investment and their management skills.
>
> The fluid milk consumer subsidy policy, by which the federal government has involved itself in the negotiation of fluid milk price levels to producers, has marked its entry into a field of policy from which it should immediately withdraw, ending the setting of any restraints upon the level of producer returns as a condition of payment of the subsidy.
>
> Present policies of the federal government limit to a fixed amount the quantity of milk upon which direct assistance payments are made with the result that production of milk over this amount (which is below national requirements) is unprofitable.
>
> Present policies of the federal government on maximum limits for entitlement to direct assistance payments for dairy enterprises are discouraging progressive producers and hindering efficiency improvement.
>
> Present policies of the federal government are resulting in serious discrimination against producers of farm-separated cream in the returns they receive.
>
> Federal and provincial policies for encouragement and assistance to the dairy industry in education, extension, credit and finance, and farm labour are inadequate and too often ineffective, with far too little planning and co-operation jointly with producers themselves.
>
> The industry is being severely damaged by the lack of concrete commitment by government to stability and adequacy of returns to producers in the years ahead, and a systematic basic of forward planning for the industry. Fears and uncertainty created by references to the "temporary" nature of the dairy subsidy program must be brought to an end.
>
> There must be a sharp upward revision in present thinking by government, on the level of returns that is required in the dairy industry today compared with other occupations, farm and non-farm.
>
> Increasingly, the producers of milk for fluid consumption must be recognized as having a legitimate, vital and probably growing place in the production of milk for industrial use, and policies must be designed to take this into account.
>
> In relation to all these matters, and in spite of representations by Dairy Farmers of Canada over recent months and indeed years in some cases, corrective action and policy has been too long delayed. The result is that the need now is for extensive decision-making and action on all of these fronts immediately. There is a critical need for early announcement of policy this year, for late-winter decision-making on production plans by producers.
>
> Dairy Farmers of Canada is however encouraged by evidence that there is increasing appreciation by Canadian consumers of the value and attractiveness of milk and milk products in the Canadian diet. New and important confirmation of the nutritional value of milk has come forward from the Nutrition Canada Survey, and consumption of a wide range of products is rising. Canada's dairy farmers take great pride in their products and express the hope and belief that the place of milk and milk products in the Canadian diet will continue to expand.

[Mr. La Salle.]

So, Mr. Speaker, I believe that this part of the brief which has been sent to every member highlights the necessity of doing something for that industry if we intend to give sincere and serious consideration to everyday problems.

I find it is important to be responsible enough and tell the truth. We are asked to approve a cost increase and the government can reply immediately: You are asking for grants, for additional rates on account of added costs, but who is going to foot the bill?

I am right, I think, in saying that the risk involved in letting this industry go bankrupt could cost Canadians much more if the matter is not attended to immediately. I think it is important to remind consumers of the necessity to keep this industry alive for their own sake even if they had to bear part of the additional costs. If we think that this is an essential industry, we should have the courage to publicize it, to claim for a publicity that would make the consumer understand that it would be much more economical for him to pay for this increase, even if he had to pay part of it, than to let this industry die and rely on imported products that will be more expensive and which he will have to pay for, anyway.

● (1220)

Even if the government recognizes that such a measure would be a bad political move or a non profitable one, it has the responsibility to apply it if it is convinced that it is essential for the future of the Canadian people.

I do hope that the government will react that way and once again, I will not hide it and I do not want the consumer to believe that he will have to pay part of it, but it is up to the government, up to us as members of parliament, to make the consumer understand that it is more important to save our dairy industry and to guarantee a sufficient income to our milk producers than to let it go down, as is the case today.

Mr. Speaker, I mentioned earlier that there was a decrease in the number of milk producers and I recently learned that there will be even more auctions this spring, and this is unfortunate. It has been said that young people no longer want to get into farming in general and dairy production in particular.

What concrete steps has the government taken to encourage these young people to replace the head of the family? Of course, there have been openings for loans, but at interest rates that are way out of reach of the young farmer.

The minister recently said in committee that the young people are not interested in agriculture and wish to have a better quality of life or the opportunity to live like the young people in the cities.

I do not agree with such a statement, Mr. Speaker. For instance, it is obvious that the youth, who has seen his father face current problems and who has grown up in a family that has had great difficulty in making ends meet because the farming policies were not sufficient to give the farmers the necessary income, is worried and is reluctant to get into the business.

In my opinion, the young people could have this assurance, this security that no farmer could get compared with other labour sectors.

If a young Canadian were assured of surviving, of making a decent living, he would not hesitate to take over the family farm, but to the extent that we will offer him incentives. As regards loans, I think we should consider the possibility of granting a minimum interest rate, perhaps a respite on payment of interests for the first years and tax deductions. The role, the responsibility, the future of our agricultural industry are at stake.

In that regard, farmers and dairy producers complain about labour shortage in the summer. I invite the government to establish a youth labour bank, ensuring fair and attractive wages, thus allowing farmers to reduce their production costs so they can get the absolute minimum return they need.

Mr. Speaker, barely a day or two ago we received from the Food Prices Review Board a very interesting document prepared by Professors Fischer and MacFarlane. In its conclusion they recognize that the requests of the Dairy Farmers of Canada are justified. May I quote you an excerpt from this document:

> The Board considers that the urgency of the situation requires that the conclusions of the report be brought to the attention of governments without delay. It calls on government and industry to give these proposals immediate and serious consideration as practical suggestions for the resolution of significant problems facing the dairy industry and the consumer.
>
> Through reporting to the public in this way, the Board wishes to draw the attention of the federal and provincial governments to the strong sense of concern with which it views circumstances affecting the dairy industry which threaten the future availability of milk supplies at reasonable cost.

In this brief, Mr. Speaker, the problems of the dairy industry are mentioned, and I quote:

> (1) low financial returns to dairy producers and declining production despite substantial public support in the form of subsidies;
>
> (2) a lack of available skilled dairy farm labour, and the inability of dairy producers to compete with off-farm employment opportunities;
>
> (3) excessive seasonal fluctuations in production of milk for manufacturing which limits total annual output; and
>
> (4) the present high level of feed grain costs.

Therefore, Mr. Speaker, it is important to consider all of these problems which have direct implications on the dairy industry. The government has made reference to a fair price for feed grains; nevertheless, the people responsible, that is the producers, especially in Quebec, and I think the same thing applies anywhere, are still expecting this fair price.

Last fall, we just about had standard prices and this led to a shortage in supply and the product which could be bought at competitive prices was simply not available.

All this, Mr. Speaker, is discouraging for the producer. He finds himself in a very difficult situation; he sees practically no way out. Then, we are wondering why young people are not interested in carrying on with farming. I think it is important that every hon. member should ponder over these documents, which are now available and give a favourable answer to the basic requests and to the very particular points made by the Dairy Farmers of Canada. The future of the industry throughout the country depends on it and it also assures the consumer that a

Canadian product is maintained. I think that out of pride and for the sake of a truly Canadian nationalism, we have as our duty to maintain and to preserve this Canadian resource which is the dairy industry. I do hope that all the speeches made in this House today on this matter will force the government to say yes, Mr. Speaker, I should rather say "invite the government" because they have had such invitations extended to them during the past 10 years through all sorts of briefs submitted to them. This practice of refusing to take position and introduce positive measures has caused this concern on our part and today we asked to let this House answer and speak on behalf of our milk producers. I am convinced that on both sides of the House, there are hon. members who know more on this matter than I do, and who will rise to speak to it and thus induce the Minister to give the producers a favourable answer and assure the Canadian consumers that they will be able in the future to get Canadian dairy products and will agree to pay a certain price, if necessary. There is no point in dissimulating that, but we will have preserved an industry which has left its mark and enabled many Canadians to earn their living. But since revenues are totally inadequate, we must take action as soon as possible, and not only by giving temporary grants but by adopting policies ensuring security to this industry and to the producers who have been waiting for so long.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first of all I want to say a few words about the motion. Toward the end of his remarks the hon. member said there were others who would speak, perhaps on behalf of other parties who knew more about the dairy industry than he did. As to the motion itself, I am surprised it got past the office of the Official Opposition. As you will see, Mr. Speaker, the reference is only to milk. But the federal government does not have total authority in that sphere, though it does with regard to most industrial milk products. The motion refers to the "troubled dairy industry". We do not have full authority federally over the dairy industry.

I should like to comment about some of the things the hon. member said when he talked about the report of the Food Prices Review Board. There are some things about the dairy industry in that report with which I agree. He, too, seems to be in agreement with at least portions of that report. However, there is a certain amount of that famous "economists' jargon" in there with which I disagree very much. I think every dairy farmer in Canada, though, will agree with some of the things contained in that report, as well as every consumer of dairy products, too, if some study were devoted to the subject.

I hope the hon. member has the concurrence of the hon. member for St. John's East (Mr. McGrath), and other members of his party, who think the agricultural industry can be run in a way different from any other section of society, that dairy farmers are not entitled to any increases in price and are not entitled to compensation to offset any increase in costs. He thinks farmers can inhabit a yesterworld with prices much below those prevailing in the rest of the world. I hope the hon. member has the consent of the hon. member for St. John's East to go along with our dairy policy when we do announce it.

[Mr. La Salle.]

Mr. Speaker, the dairy industry is in a bind today as I stated at the annual meeting of the Guernsey Breeders' Association here in Ottawa a couple of weeks ago. Milk production at today's prices simply doesn't pay. Let me draw the picture. Last year, milk production in Canada dropped 4.7 per cent, the sharpest decline ever recorded since Statistics Canada began gathering figures on milk production back in 1920. At the same time, consumers are demanding more milk and dairy products than ever before. Fluid milk sales increased by 3 per cent and cheese sales increased by 8 per cent.

Canada is not alone in registering a decline in milk production. The United States registered a 3 per cent decline and in New Zealand, milk production was also cut in spite of the excellent climate which that country enjoys. Production in New Zealand went down by 5 per cent. And this is where some of the experts told us, and are still telling us, we should get our dairy products—countries like New Zealand and Australia. Even in Europe, where very heavy subsidies are paid to dairy farmers, total production levelled off last October and November. In some countries it began to fall off in November and December. If the consumers of Canada think we subsidize dairy farmers, they should find out what is being done in the countries of the European community to keep up dairy production.

● (1230)

In spite of this situation, consumers all over the world are calling for increased milk production. The United States has met this need by lifting quota restrictions on imports. This great free trader to the south of us imposes restrictions and tariff barriers of every kind until it wants a certain product. I think a lot of people should change their minds and their ideas about these free traders to the south. The only time that they left quota restrictions on imports, as they did for skim milk powder and cheese, is when they want a certain product. That new attitude of our neighbour to the south presents Canada with a new and growing market for our industrial milk products.

In 1973 Canada exported 27,407 purebred dairy animals, for a total value of over $20 million. Exports of dairy grade animals over 200 pounds numbered 41,268, for a value of $15.8 million. We exported 59,417 calves weighing less than 200 pounds, for a value of $7 million. I do not mind saying that I have some reservations about the exportation of so many calves. Those statistics are at once an indication that our dairy cattle are very much sought after, but it is also an indication that our producers are beginning to make more money selling the animals rather than selling dairy products.

Let me explain the reason that these animals are so valuable. Historically the price for our dairy cattle in Canada was lower than that for cattle in the United States. This trend was reversed last year and has continued this year. The 1973 values reported by breed journals on auction sales of dairy cattle going all the way from milking age females through calves with dams, bred heifers, open yearlings, heifer calves and bulls—the whole family—have increased by a full 33 per cent in 1973 over 1972. As far as I am concerned, that is a very impressive record. Those increasing values of animals are not an indicator of a failing industry, Mr. Speaker. If the House

will bear with me for a moment I will cite some more statistics to illustrate the strong position of dairying in Canada.

The values of milk production in 1972 was $773 million, but in 1973 it jumped to $900 million. The government subsidy in 1972 was $101 million and in 1973 $150 million. Dairy beef sold in 1972 was worth $300 million, and in 1973 it jumped to $350 million, In other words, farm cash receipts to dairy producers last year were up 19 per cent, from $1.1 billion to $1.4 billion.

Compared internationally, Canada ranked sixth in importance in total milk production in the world. Although production per cow in Canada in 1970 was below that of Holland and the United States, we are catching up fast. Our production per cow is way above that of New Zealand and Australia. Considering our climate and the difficulties that our dairy producers face as a result, I repeat that our milk producers are the most efficient in the world. We have the best cows, the international demand and the prices paid for the cows by other countries proves it. These other countries know the full value of milk as a food. Most of the countries buying these cattle are much poorer than Canada, such as Mexico, Cuba, many of the South American countries, Spain and Italy.

This is where the government's programs come in. Under ROP testing and breeding programs, we have bred cattle superior to those of practically any other country in the world. This has taken time, and it has also taken good programming on the part of the government and producers. They can be very proud of that. Their cattle have become so productive that this helps them to stay in business.

It was only a few weeks ago that I gave recognition to the owners of Ingholm Rag Apple President that produced a 365 day world record by giving 36,594 pounds of milk with a butterfat test of 2,098 pounds. The owners of the animal are Mr. and Mrs. Ingram from Campbellford, Ontario. These people wrote me letters and we had our government inspectors actually sleep in the barn to make sure this cow was not being fed any drugs, etc. We were very cautious in our approach because we value our ROP testing. The value we place on it is so high that we wanted to make sure that no drugs, etc., were being given to this cow.

When this cow gave this much milk, Mr. Speaker, some people said that she had just gone crazy. These people were ordinary dairy farmers, not large operators. Whenever anyone went by this cow they just gave her another shovelful of feed and she ate it. They are now trying to do the same sort of thing again. We work with these dairy farmers so that no one can doubt the records. We had seven different inspectors watching them feed and milk this cow just to make sure that the records were authentic.

These people wrote letters to me saying that they were not a bunch of thieves or crooks, that they were doing just what they should. I told them that they should protect themselves, because if this cow produced a male calf, you can imagine how valuable it would be to an artificial insemination unit. If the offspring of that calf were anything like his grandmother, then you could imagine the tremendous increase in production that could occur all over Canada. Through artificial insemination you could increase this type of productive animal manyfold, certainly more so than was possible many years ago. It has been part of our dairy policy in Canada to do this sort of thing, and world buyers will be watching progress and bidding for the semen and the stock from the offspring of this great cow. As I say, Mr. Speaker, the owners of this animal are very proud. But this just did not happen; it needed co-operation between producers and the government in order to make sure it was done correctly. If the people concerned do not have the knowledge and the dedication that is necessary to bring this about, then an important part of the process is missing.

In this regard, many articles appear in the press about subsidies and how people are made rich. Most of them are similar to the kind of article that appeared in the Ottawa *Journal* last night. Although it was not about the dairy industry, we do see some written about the dairy industry from time to time. This article had this to say:

> The beef subsidy should be ended. Mr. Whelan should direct his efforts to get his beef producers to be more efficient.

I do not know who wrote this baseless editorial. All I can say is, let him check the beef industry of Canada and he will find that the beef producers, the beef feedlot operators and the people in the beef industry in general are some of the most efficient operators in the world. It goes without saying that the same applies to the dairy industry. Our exotic cross-breeding programs, improvement in our feeding program and all of our research have allowed our cattlemen, not only beef but dairy, to become the most efficient in the world. I say that anyone who writes an editorial like this which tries to convey to the public of Canada the impression that beef prices are so high because we have inefficient producers should be chastised for inflaming people with inaccuracies, innuendoes and jargon. As far as I am concerned this is nothing more than a damnable lie and downgrades a paper like the Ottawa *Journal*, which is so worthy in many ways.

The problems faced by the dairy industry today are those of maintaining production in the face of recent large input price increases, rising returns in alternative enterprises, and a growing disinclination on the part of farmers to accept the hours of work required in dairying without sufficient compensation. I recently attended the annual meeting of a 4-H Calf Club in the hon. member's constituency of Timiskaming. It was the night for the presentation of awards. Practically every member of the audience was either a producer or the son or daughter of a beef or cattle farmer. Not one of the young people I talked to, and I did not talk to them all, had any intention of becoming a farmer. I asked one young person "Why don't you want to become a farmer like your father who has a nice farm?" He said: "I can tell you why, Mr. Whelan. I can never remember my dad taking a vacation. The vacations I have had have been with my uncle who is an electrician. The weekends when I went fishing I went with my cousin and my uncle, and he is an electrician, not with my dad because he works on Saturdays and Sundays. My uncle is away on vacation in Florida for four weeks. My dad has never gone out of the community since I have known my father and can remember. That is one of the reasons, Mr. Whelan, why I don't want to be a dairy farmer. I am not saying that my dad has not supplied a good home with

everything we needed in it, but that way of life is not for me."

● (1240)

There is one thing that we too often take for granted. Some people seem to think you can turn the cow off on Friday night and start it back up on Monday morning. The other day during a discussion with some officials, not from my department but from another department, one of them suggested that when you had an over-production you should cut the feed off a little bit and the cow would not produce so much milk. What a ridiculous and asinine thing to say. We know that when you cut back feed milk production does cut back, but in 99 9/10ths of the time when you increase that feed after short-circuiting it, the production does not come back. A cow is not a machine. This man thought he had a punch press or something. What he has is a machine with four spigots that depends on you taking care of it and forcing it with everything you have, including every kind of good food 24 hours a day, seven days a week. In a way, a cow is a machine but no man has invented anything that compares with a cow when it comes down to the nourishment you get from dairy products, and that is something that we in our society take so much and so often for granted.

Because of higher dairy input prices, the support levels for dairy products were raised significantly for the dairy year 1973-74. I suggest that we reacted quicker to the requests of dairy farmers than anyone else since I have been here, beginning in 1962. We reacted to their requests last year and we will do so again. In April, skim milk powder prices were increased by 21 per cent and butter prices by 4 per cent to provide an increase in the milk price of 60 cents per hundred weight, the equivalent of about 14 per cent on the average market price. In August, 1973, the dairy farmers of Canada again made representations to me for a further price increase. The return per hundred weight of milk was increased by $1 including a temporary subsidy of 56 cents per hundred weight. Dairy farmers have recently claimed that still further increases in returns are needed to offset rising input costs, and I agree that they are needed.

This government, through the establishment of the Canadian Dairy Commission and the policies handled by them, has maintained a healthy dairy industry in Canada. This government is not now about to see it go down the drain. The Canadian Dairy Commission has substantially fulfilled the objective for which it was established, namely to give efficient dairy producers an opportunity to obtain a fair and equitable return; to provide the maximum of stability for the dairy industry; to assure consumers a continuous and adequate supply of high quality dairy products, the highest in the world; to make the dairy sector more efficient by increasing the number of larger units and, most important, to secure from the market the largest possible proportion of the milk price required by dairy producers.

I want to say this about the Canadian Dairy Commission. It is a commission which was set up by this parliament, and it operates as a marketing board, no matter what anyone else wants to call it. I would challenge those people who condemn marketing boards to show that the Canadian Dairy Commission has not seen fit to make sure

that the producers get a proper return, with the result that not only has there been stabilization of the income of dairy producers, but the increase in the cost of dairy products to our consumers has been less than anywhere else.

Dairy producers have been afforded the opportunity of obtaining a fair return on their labour and investment. On production covered by direct subsidies, manufacturing milk shippers have received a return estimated to be $2 to $3 above the equivalent of world prices. In the absence of Canadian Dairy Commission programs, farmers' gross receipts from dairying would have been more than one-third lower, and the output of the manufacturing milk and cream sector alone would have been only half as large. A relatively high degree of short-term stability has been provided, both through protection from fluctuations in international dairy product markets and through compensation for the exceptional input inflation of the past two years.

Consumers have been provided with a continuous and adequate supply of dairy products of high quality. All domestic requirements of skim milk powder have been provided from Canadian milk production, and until 1972 Canada was self-sufficient in butter production. With the exception of specialty cheeses, other dairy products have been provided exclusively from domestic sources. The dairy commission has seen fit to make sure that butter supplies were adequate by foreseeing what was going to happen and importing enough butter to cover our needs.

The effort to increase the efficiency and health of the industry has resulted in a very substantial increase in the number and proportion of medium to large-size dairy operations. Between 1968 and 1973 the number of quota holders in the 3,500 pound to 17,500 pound category has increased from 32 per cent to 42 per cent of all quota holders. These people represent the backbone of Canada's dairy industry.

A few relative price comparisons between Canadian cheddar cheese and equivalent Edam or Gouda cheese in other countries illustrates the point. In mid-January of this year a pound of cheddar cheese in Ottawa cost $1.11; the equivalent cheese in Stockholm cost $1.55; in Washington, $1.35; in Rome, $1.23, and in Australia, Canberra cost $1.24 and so on.

Let me quote some additional figures as to the retail price in December, and I use butter as an example. In 14 cities in Canada butter cost 77 cents a pound, whereas in 56 cities in the United States it cost 89 cents a pound; in Brussels, $1.24; in Copenhagen, $1.19; in lucky Ireland, 79 cents; in The Hague, $1.29; in Hamburg, Germany, $1.54; in Paris, $1.44, and in Rome, $1.60. The difference in prices is further emphasized when one compares the average earning in Italy as compared to the average in Canada. One can check the efficiency of our dairy producers by looking at the fact that with our program butter can be produced and marketed at 77 cents a pound, or it was possible to do so at that time. We cannot continue to do that, but the price will not go up to anything near $1.60 a pound.

The federal government's dairy policy for 1974-75 and beyond will be announced within the next few days. Therefore, I do not wish on this occasion to go into detail on what action the government intends to take in that

regard. I have told the farmers and have said publicly that we are working on a long-term dairy policy. Announcements will be made by April 1 according to the legislation. We are fully aware of the situation faced by our dairy farmers. I hope it is not the hon. member's intention to use the motion today for political gain, and then to say to his constituents that, when speaking in the House, he told the government what must be done for the dairy industry, and the minister is doing it. It will not do him any good no matter what he says because we have been working on it for three months as hard as we can. We have worked very closely with the dairy industry. I do not think another Minister of Agriculture has worked as closely as I have with the dairy industry. We are attempting to really find out what is needed to maintain the dairy industry.

● (1250)

As I said earlier it is not merely a question of economics. It is a way of life. I heard the hon. member, when speaking in support of his motion, say that he did not know much about the dairy industry. If he had to milk cows seven days a week, twice a day and before he went to school he would understand a little about the seven-day week to which I referred, which includes Sundays, holidays, Christmas, New Year's and even St. Patrick's Day. Some hon. members probably have heard about it but they would understand it much better if they actually experienced it. This is the problem in respect of some of our world programs related to agriculture.

I wonder if any hon. member has any idea how many ministers of agriculture I met who were actually farmers when I attended the FAO meetings in Rome?

An hon. Member: None.

Mr. Whelan: That is right. I did not meet all of them because there are 132. If we say that the agricultural situation in the world is in a mess we cannot blame the farmers. We should blame the economists, lawyers and others who are trying to run the agriculture and dairy industries in the world. To say that milk is an important food is to state the obvious. It is a food that we cannot afford the luxury of expecting some foreign country to produce for us. We must forget about depending on some foreign country. We have had this experience in respect of energy when we depended on some foreign country to supply it cheaper than we could ourselves. We have had a similar situation in respect of the sugar industry.

With regard to the dairy industry, it is obvious that we must make our dairy industry capable of supplying every product we need. It is a cornerstone of our agriculture. Dairying is important for reasons other than the basic milk product. Dairy animals supply a high percentage of the beef we eat as well as all kinds of other products, everything from leather to pet food. The government is most anxious that dairy farming remain an attractive line of work for both farmers now in the business and for those young farmers whom we would like to get started in dairy farming.

Last year we doubled the amount of money spent on the dairy industry and many people in the dairy industry have confidence in what we are doing. They have confidence in this government and I am taking for granted that they have some confidence in what this minister says. The dairy industry has its own special problems. It is a highly skilled occupation. It is not surprising then that many farmers have opted for types of farming that are a little less demanding, like beef-raising or cash-crop farming. On the way here this morning I met a man who sold his farming operation not far from Ottawa. He is 45 years of age now, and is running an elevator. He said he has a much easier life now than before and has more take-home pay. Do not forget that. One must also realize that the whole family is involved in a farming operation. What the dairy farmers need is the guarantee of a decent living over an extended period. That is why we are working on a long-term policy. This is the reason the dairy industry asked for a long-term policy to which I am committed. A long-term policy is required so that the farmers can plan ahead.

In the middle of the current dairy year, we raised the industrial milk subsidy when it became apparent that farm costs had outrun returns on the product. We did not wait until now to take action. We instituted a consumer subsidy of five cents a quart, to solve the twin problems of rising consumer food costs and diminishing net profits for the producer. The producers need long-term help as well, so that they can plan ahead and take risks in investing in buildings and in livestock with some hope that eventually it will pay off and that their industry will be what it should be and must be so far as I am concerned. I stated this in the House before. We want a dairy industry that will attract our young people and the federal government is working very hard on this right now, not only with measures already in place, but with measures to be announced soon.

The world dairy situation is changing on an almost daily basis. A few years ago, we could not give away our skim milk powder. Today, the price is about 12 cents a pound above our own support level. This is a product we use in external aid and foreign aid all over the world. That is how quickly things can change. So, while we need a long-term policy, we must remain flexible enough to react quickly to a changing situation in other areas of the world. We cannot be so fixed in respect of a plan that we cannot change. We proved last year that we would react to the needs of the producers. No matter how good our long-term policy might be, we must always be in a position to react when the producers need it.

Mr. Deputy Speaker: I hesitate to interrupt the minister, but his time has expired. The hon. member for Timiskaming.

Mr. Peters: Mr. Speaker, would it be possible to call it one o'clock.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Dairy Policy

Mr. Arnold Peters (Timiskaming): Mr. Speaker, as the minister indicated the Official Opposition, in putting forward today its motion to subsidize milk production by $2 per hundredweight, is confused because the federal government is only responsible for a section of the dairy industry, namely, industrial milk production, and the provinces have total control over the fluid milk production.

In March, the minister announced an increase of $1 per hundredweight of milk in the form of a federal support program for industrial milk production. If we added to this the $2 subsidy proposed by the Official Opposition, we would solve many problems facing the industrial milk producer. But I suggest that we should give consideration to the problem that is confronting dairy farmers, and in fact all farmers in Canada today, and ask ourselves whether or not the kind of programs we are implementing are really the programs we should be implementing.

On at least two occasions the Minister of Agriculture (Mr. Whelan) rose to the emergency by putting forward ad hoc legislation which, in my opinion, has caused more difficulty than the original problem was causing, and at the same time has cost the Canadian taxpayer a great deal of money. I am uncertain whether or not it would be wise for the House to seriously consider why we are involved in subsidy programs for the dairy industry. I think it would be wise to go back several years, in fact quite a number of years, and consider the legislation that has been passed by the House. Until the last year or two the purpose of the legislation with regard to all agricultural commodities has been to provide farmers with a method of disposing of a surplus in a specific commodity. For years, Canada has been capable of overproducing practically every agricultural commodity, and nowhere has this been more evident than in the case of industrial milk production. I can remember many experiments that have been tried to dispose of our surplus products. One bright proposition which was put to parliament a number of years ago had us converting surplus butter into butter oil, but we found that there was no way of converting it back to butter nor was there any way to use it in the form of oil. That experiment proved both costly and foolish.

● (1410)

All of our experiments over the years have been designed to get rid of surpluses but we are no longer faced with surplus dairy products. It is true that there is an occasional surplus in powdered milk because the world is not yet willing to use powdered milk as a substitute for fluid milk, but in all other fields we find ourselves in the position of having to import many dairy commodities. This affects the consumer, and we should think what it will mean if that policy has to be followed for almost all agricultural commodities, not just to dairy products. We will shortly have to make our minds up whether we want to export water, oil, hydropower and lumber—in fact all of our raw and mostly non-renewable resources. Once we start exporting them it is difficult to regain control, so we must make the decision on whether we want the money or whether we want to maintain self-sufficiency in these commodities.

We can produce almost every agricultural commodity, from the dairy industry, from the vegetable and legume industry as well as cereals, and under normal circumstances we can produce far in excess of our requirements. However, Mr. Speaker, we have not done that. We now find ourselves importing butter because it is cheaper to do that than to produce it. We find that it is cheaper to import almost every kind of fresh vegetable from the United States than it is to produce it here. Canadians are often shocked to see pictures in the newspapers and read accounts of apples being destroyed or not picked because it is not worthwhile to do so. We learn that tomatoes are left in the fields here because it is cheaper to import them. We have gone to great expense to develop a hot house industry in Canada, only to find that it cannot compete with Mexico or the United States when those countries dump these products here. On these occasions we have used the economic yardstick, and decided that it is cheaper to import than it is to produce.

This is particularly true of the dairy industry, and it was therefore very wise of the minister to cover the waterfront as he did. The Canadian public has not yet decided whether it is to our advantage to be self-sufficient in agricultural products or whether we should buy where the price is cheapest. At the moment, we are importing tomatoes and all kinds of fresh vegetables, whilst we are growing them and then destroying them because we do not have the ability to pick, pack, grade and distribute them.

The Conservative Party will have to consider whether it is to our advantage to pay an additional $2 to maintain the industrial milk industry. What do we do about the commodity by the time it reaches the consumer? Do we tell him he will have to pay what the supermarkets charge or do we tell him that his taxes pay the subsidy on the product or do we tell him that there is already a reasonable markup allowed in the field and there is going to be no more? This is what we have done with butter, not by design but by accident. We have done it to the extent of keeping butter in short supply. In doing so, we put many hundreds of thousands of small farmers out of business, mainly in western Canada. We got rid of the butter surplus and now we are buying butter. We will have to decide whether that is the way we want to operate our business.

I am of the opinion that if we are to subsidize the dairy industry to a greater extent, then we will have to nationalize Kraft. The hon. member who moved this motion is well aware that a very great percentage of the cheese consumed in Canada is produced and sold by Granby Co-op. That company sells 80 per cent to 90 per cent of all cheese manufactured in the province of Quebec and produces almost 90 per cent that is bought by Kraft.

Mr. Côté: Good!

Mr. Peters: The hon. member says good; in my opinion he is being irrational. Kraft is rooking him, is rooking the Co-op, is rooking everybody in this country because they are usually selling it to the consumer at twice the price. Maybe the hon. member does not know that the floor price on cheese is something like 54 cents and that the consumer is paying between $1.09 and $1.29 for that product; that Kraft has cornered the market, put a label on the product and doubled the price. I know the hon. member is a farmer but he is willing to settle for less than half the proper

return for that commodity, even when it goes into the Granby Co-op, because he is allowing Granby Co-op to operate in conjunction with Kraft, a monopoly.

The minister will have to look at some of those monopolies in the food chain. He will have to look at the international control of the food chains and how the monopolies control the distribution of products which results in the consumer paying far more for them than is justified by the returns the producer receives. The hon. member opposite, who I am sure is going to reply, should keep something else in mind. If the farmers do not get enough money for the products they are selling, more and more of them will go out of business. I agree with the minister when he said that it is damned hard to get up in the morning and milk those cows, seven days a week, 365 days a year. We have not yet developed a good cow that will take Saturday and Sunday off or one that will give you a regular two week holiday. In fact, it will be a hardship for the milk industry if such a cow ever is developed!

● (1420)

It is all right for the people in the dairy. They can cut out all the frills. They can work a five day week. They do not have to milk the cow on the farm. But that does not mean that the farmer does not have to put the milk into the bulk tank after he has milked the cow. We must make sure that the farmer earns the kind of money which will enable him to live a totally different kind of life from the one farmers now live. The farmer of today is perhaps 65 or 70 years old. The next generation of would-be farmers has already opted out. Those young people are not going on the farm; they have already gone into the factories. We must talk about the second generation, the grandchildren of the man on the farm. We must make sure they can live a totally different kind of life and we must guarantee them a standard of living which will be high enough to convince the wife and family that they should live in the rural community and work the farm in a way which will guarantee Canadians supplies of food.

No matter at which segment of farming you look, you will find the farming population has been declining over the past few years. If, in the next few years, this trend is not reversed, we will not be able to choose whether or not we want to be self-sufficient. We will be forced to sell our capital assets, our non-renewable resources, and we shall find it difficult to get people to take up farming again or to resume production of renewable resources, because we shall not have the experts, the farm units or the other conditions in this country under which it was possible for farmers in previous generations to provide Canadians with cheap food.

I suggest to my hon. friends opposite that we must provide the farmer with the standard of living which will induce him to remain on the farm. We must guarantee it; otherwise, he will move off the farm. Furthermore, if the farmer is forced to provide, say, Granby Co-op or Kraft Industries with his product, and those firms sell this food in Canada at much higher prices than they pay the farmer it will be extremely difficult to convince the consumer that he ought to pay subsidies to keep the farmer on the farm. The farmer produces industrial milk, which he sells to the Kraft company. The company sells it at a very much greater price. That transfer from the farmer to the consumer, with Kraft company acting as middle man, is made with no major expense to the company.

Mr. Whittaker: Does the hon. member know what he is talking about?

Mr. Peters: Well now, my hon. friend sitting in the back row is making noises, yet I assume he knows absolutely nothing about the cheese industry. If he did, he would realize that the making of cheese and butter involves a very simple process. Actually, those foods are about the simplest to transfer from the farm into the showcase. So simple are they to handle that for many years farmers used to put those products into the store and look after the counter. The mark-up in the grocery store normally was about 2 per cent or 3 per cent, considerably lower than that on other items handled by the retail grocery trade. I suggest that I have raised an important question. The problem cannot be met merely with the continuation of subsidies.

The minister, in my opinion, faces terrible trouble in the beef industry. We must make sure that the beef producer is kept in business because, once he goes out of business, it will take many years before beef production is in full swing in this country again. With producers out of business the price of beef will go sky-high because there will be a shortage. On the other hand, if we ask the taxpayer to subsidize the beef producer but do nothing to bring down the price in the store, the consumer will decide pretty soon that he is no longer willing to pay the subsidy for that commodity and will demand a totally different system for the handling of such commodities.

As I said previously, for 20 years, long before I came to this House, we faced agricultural surpluses. We designed many programs to dispose of agricultural surpluses, whether they were in wheat, butter, skim milk powder or casein. All such products, with the exception of fluid milk, have been handled on an emergency basis, because we had accumulated surpluses we could not handle. It cost too much to keep them. That situation no longer holds true. In many fields we have reached the limits on production. We have, under the present system, reached those limits in the dairy industry, as is evident if you look at the rate of production.

The minister paid a tribute to farmers for the type of cattle they are producing in this country. This has been a fabulous development of which Canada should be exceedingly proud. I can remember when I milked cows as a young lad. We had a large farm and we milked lots of cows. I can remember when we were producing a large volume of milk, but the butter fat content was less than 2.8 per cent. At that time the regulations provided for a minimum of 3.2 per cent, or you would be eliminated as a supplier. My father had to go to southern Ontario and buy two Jersey cows so that we could stay in the fluid milk business. We could not get our Holstein cows to produce milk with the required butter fat level. Today, Holstein cattle are producing milk with as much as 5 per cent butter fat. This is a great tribute to the farming community, to agricultural schools and colleges, and to farmers who have been willing to take advice with regard to ROP. They have listened, and the result has been a long period of technical development.

The farmer has done his share and often the government has been helpful. We are under an obligation to tackle monopoly concerns such as Kraft, which put little or nothing into the system, but sure as hell take out a whole lot more than their share. Unless we tackle this situation, we will find that levels of production will decrease and costs to the consumer will rise.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the motion of the hon. member for Joliette (Mr. La Salle) is a timely one. It answers the desire of the Canadian dairy producers who want the Canadian parliamentarians to seriously study this grave problem which is now facing the dairy industry in order to help the hon. Minister of Agriculture (Mr. Whelan) and the federal cabinet to improve the lot of the farmers who work in this industry, the dairy industry, which is generally called the primary industry, especially in Quebec.

I would have liked myself to move a motion concerning agriculture during these opposition days, but it was impossible because of the way the time is allotted between the parties in this House. However, I wish to congratulate the mover of this motion. He has given an excellent description of the dairy problem and I am very happy to see that he supports the justified requests of the producers.

I should also like to say that I listened most attentively to the speech given by the hon. Minister of Agriculture, at least the major part of it. He dealt quite seriously with the problem and with great competence. I was impressed above all by the fact that he had the courage to say that dairy farmers are of those who cannot allow themselves holidays. If they do, they run the risk of seeing their production diminish, as well as their income, because their animals are very sensitive and must be disturbed as little as possible. They must always have the same master, and be taken care of by the same man everyday, because, when disturbed, they produce less milk; a herd of 50, 60 or 75 cows can soon lose 100 or 200 pounds of milk.

Without blaming anyone in particular, I feel that the minister does not have enough support in the cabinet. I am convinced he has done all he can and that today's debate will help find a more satisfactory solution to the dairy farmers' problems.

The situation is nothing new: as repeated time and time again in this House, the farming industry has always had many problems. It is the most important industry of all because it feeds the people.

● (1430)

This industry has always been the most neglected one by governments and produced the smallest income to those engaged in it. If a number of farmers can still be found today it is because they are convinced of their mission, confident that the future will bring improvements.

This industry's survival is due to the courage and steadfastness of those workers of the soil who wanted to carry out their task and who are still determined to do so but who become increasingly demanding, and rightly so, since they want their fair share of national income. In 1974 I think it is quite fair that the farmers get the return they are entitled to.

Dairy producers have been facing the same problem for several years. They are constantly caught in the "cost-price" squeeze.

I remember that in 1967 the dairy producers of Quebec and Ontario organized a march on the Canadian Parliament so as to make the federal cabinet and parliament aware of their problems. Since I participated in this march, I remember it as if it had taken place yesterday. I was glad to be among them but at that time I was far from thinking that one day I would sit in the House and in a position to help those workers obtain justice. If I am sitting here today it is because certain reasons led me to take a more active part in the political life of my country and to accomplish as far as possible what can be expected from a dedicated member of the House who wants to improve the lot of his constituents.

Government intervention came at a certain time and mainly from 1967 but quite slowly. Progress has been slow. In 1967, the support price of butter was then amounting to 63 cents a pound. There was a slight increase in 1969 to 65 cents a pound. There was no progress in 1970. In 1971, the support price was 65 cents a pound and 68 cents in 1972. In 1973, it skyrocketted to 71 cents. It has gone up very slowly which means that dairy farmers are certainly not responsible for the cost of living increase.

In the light of the figures I have just quoted and because of the replies the Chairman of the Food Prices Review Board made to the Committee of Miscellaneous Estimates on March 14, 1974 when I asked her this: Madam, concerning the prices of dairy products, for instance, have you received any communication from consumers complaining about the excessively high prices for Canadian manufactured goods? Have you examined the situation to find out whether dairy farmers get a reasonable return, or do they in turn abuse consumers? Have you had the opportunity to go to the root of the problem?

The Chairman answered as follows, and I quote:

> Yes. We expect to publish soon a very interesting brief on this industry that was presented to us. We expect to publish it as soon as the council has considered it. It is now being translated; we have already reached this stage. We keep a close look on dairy products and we have had very few complaints. I will just quote the figures: three, very few complaints; nine about all dairy products.

This means that consumers do realize that dairy farmers are not responsible for the increase in the cost of living and that they are not the ones by whom they are being gouged.

Therefore, I hope that consumers will be reassured at least in this regard, because I wanted to know whether gouging was actually exercised by producers. If consumers are being gouged, it has nothing to do with producers. Therefore, we will have to investigate that matter in order to determine whether it might be possible to improve the producers' situation without harming too much the consumer.

As I said earlier, the producer always finds himself in a bind which is called a cost, production and cost price squeeze. Over the last three years, there has been a tremendous increase in the price of machinery and spare parts. This is nonsense because users, those who must

get these spare parts, have to pay prohibitive prices, and the year 1974 is expected to be even more difficult for them.

The same applies to dairy farmers who are affected as well when they must make new construction works or repair existing buildings. For them as well as for others, the cost of materials has substantially increased.

What about labour! We have had, in February, a two day conference in Ottawa with officials of all farming organizations of this country and officials of the Department of Agriculture, and we came to realize that qualified farm labour has become scarce. It is difficult to obtain the services of skilled farm labour because young people are quite wise and are not interested in working in a sector of the economy which does not yield at least the same return as the industrial sector for instance. They are turning away from farming and this has resulted in a gradual decrease in the number of operators which in turn will very soon cause very serious food problems.

We have lived through a phoney oil shortage, but that will be nothing compared to the problems that a shortage of food products will create, if we are not determined to act now.

With regard to feed grains, it is one of the reasons for the rise in production costs. I had set nonetheless high hopes on the measures announced by the Minister of Justice on September 14, 1973, but the results have yet to come. We still experience difficulties in that respect in the province of Quebec and in the eastern provinces. Therefore I invite once more the government to study very seriously the problem, or rather to put an end to the studies and act without delay, so that the Canadian Wheat Board and the Livestock Feed Board come under the jurisdiction of the same government department, so that decisions taken in one department are not overruled by the other.

● (1440)

And I am convinced that our suggestion, which I am repeating again today, is worthwhile because this same minister would thus have authority to make decisions and this would settle the transportation problems.

I would also like to talk about fertilizer prices. It is a colossal disgrace. While they were set last year at $80.00 a ton, now they have reached $156, almost twice the amount.

How can farmers look to the year 1974 with optimism? And here again we wonder whether supplies will be adequate. Concerning seeds, we have the same phenomenon. I notice that even the price of every day commodities—electrical power, insurance, union fees, transportation rates—is zooming up. And accordingly dairy producers must now pay $10.15 per hundredweight to produce their milk. And at the present time producers are lucky if they can can get $7.70 per hundredweight for their industrial milk. Their deficit is therefore considerable. The farmers are asking a $2 increase. But at the time they filed their request, production costs had not reached today's level. By asking a $2 increase per cwt., they are trying to avoid what happened in the past. When the government authorized increases, the producers pocketed only part of them because, instead of getting all of the increases, a mere 25 to 30 per cent of them managed to reach them.

If possible, I should like to make a few suggestions to the minister. If the Constitution does not allow it—silly Constitution that is blocking us at everytime—why can we not amend it? It is made by people. We are no more stupid than those who drafted it in 1867. They made it in 1867 to suit them, their weight, their height. The country has grown, its population as well, and new problems have come up. And so, the Constitution should be revised so that it might not paralyze us constantly, that our administrations might become more efficient and that, in short, we might, as intelligent citizens, solve our problems.

Mr. Speaker, given the difficulties encountered by the dairy producers, the Minister of Agriculture, the federal cabinet and hon. members cannot say they were not made aware of the problem. Mr. Speaker, I will dispense from reading those briefs but I have one here dated November 20, 1973, which was submitted at an extraordinary meeting of Dairy Farmers of Canada. The attention of the authorities was drawn to the serious problem faced by milk producers. They are quite tenacious, and I congratulate them for it because they are fulfilling their mission. They look after their business and if we looked after ours in the same way they look after theirs, we would be performing very well together.

A brief submitted again to the authorities in December 1973 reads in part, and I quote:

> The announcement of assistance levels well ahead of decisions regarding production is undoubtedly necessary but it must be pointed out that the further ahead the announcement is made, the more risk there is that the level of assistance itself will prove inadequate when the crop reaches the market. This makes it necessary to include in assistance levels announced ahead of time a provision allowing for a further adjustment to offset changing cost conditions. In the cattle industry, developments over the past year have made producers quite aware of the need for such a requirement.

I think that was a practical piece of advice, a quite valid suggestion so that during the year the Minister of Agriculture might say to his colleagues in the cabinet that, as regards such or such a decision, the situation has changed during the year. That is why I am respectfully submitting the necessary change so producers will not be forced to wait month after month and run into heavy debts.

In January 1974, one month later, as they do month after month, Dairy Farmers of Canada came back charging with another brief containing valid suggestions. They asked what policy should be followed and said once again, hurry up, this is an urgent matter. People are quitting production. That area is on the downgrade. On March 7, 1973, the Dairy Council of Canada submitted a paper on the problems of the dairy industry. In March 1974, another paper was submitted to the federal ministers and the Liberal members of Quebec, drawing the attention of the authorities. The farmers were told: "Hurry up." They were asked something which is never asked to large corporations which increase their prices rightly or wrongly, but according to their whims. The milk producers were asked: "Prove that you are right, show us your production costs." I am pleased to see that the dairy farmers of Canada acceded to that request and gave specific figures—

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

Dairy Policy

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am happy to take part in today's debate which concerns a very current issue, that of the Canadian dairy industry.

Mr. Speaker, in 1973-74, the dairy industry is going through a regression period which is due to several factors of which I shall try to enumerate a few.

As concerns a first valuable solution, we know that the dairy producer needed a substantial increase, Mr. Speaker, because dairy policies are traditionally announced on March 31 of each year; as there are only a few days left to learn about these policies, I repeat that I place all my confidence in those who are in charge of making decisions in this respect and I can assure the hon. member for Joliette (Mr. La Salle) that the Canadian farmers will once more be satisfied with these new policies.

The hon. member for Joliette is worried about the threatened dairy industry. I shall leave it up to my colleagues to compare today's dairy industry with the one that existed when the Conservative party was in power. I should like to ask the hon. member for Joliette if he consulted his leader before moving this motion in the House today—the hon. member for Joliette indicates that he did consult his leader—to ask that the hundredweight of milk be increased by $2 immediately, since we know that his leader may right now be telling at a press conference or on television that if he was in power, he would freeze prices for maybe 90 days.

I therefore wonder if he did consult his colleagues.

● (1450)

How does the federal government support the farmers in their efforts to produce at full capacity? Last year, several basic changes were made to the income tax legislation and regulations. All were designed to leave the farmer more money so that he may invest it to increase his production. Someone made a special study of those changes and made his findings known at a meeting I attended. He figured that the taxes on farm income had been reduced by almost half through those government measures. Moreover, the Farm Credit Corporation has more than doubled the amounts of loans granted last year to farmers and the government maintained a 7 per cent interest rate although the loans cost more. In addition, the federal government has increased the subsidies on certain products, has more than doubled its subsidies to the dairy industry, has increased its spendings in support of crop insurance, and has increased by more than 70 per cent its support to wheat for domestic consumption.

Finally, and what is most important, the government did not apply any price controls which would have restricted the farmers' income. In spite of this increased support, additional price increases will, of course, be necessary if dairy farmers are to meet increased production cost. I understand why the producers are considering other possibilities and are wondering whether they should sell their herds and turn to commercial farming or other farming ventures with higher incomes and less work, and yet demand for dairy products is increasing and the long-term outlook for dairy farmers has never been so good in years.

The United States have increased their imports of butter, cheese and skimmed milk powder as their production was decreasing. It keeps on decreasing in the United States and the demand for our milk powder and cheese is increasing there. Total American imports amount to the equivalent of 6.5 billion pounds of milk, or 60 per cent of the milk processed in Canada. No doubt that a market does exist in Canada and elsewhere and that it is expanding. It is also obvious that Canada will not be able to rely on low-price imports to meet its domestic needs, surely not in any case while demand is rising so fast south of the border. In a few years the United States will be prepared to buy all the dairy products available on international markets.

[The Acting Speaker (Mr. Boulanger).]

Our milk producers will require higher prices to maintain their operations and increase production. Although prices are of basic importance, there are other factors which affect dairy production, notably manpower shortages and quotas. The federal government is acting to solve these two problems. This year we intend to create farm manpower centres throughout Canada. In the beginning, we will set up 30 on a trial basis. These centres will be run by retired farmers or by people who know and understand agriculture. There will be three persons in charge of those centres: a farmer as manager, an accountant, a secretary and an assistant manager, if necessary.

The farmers who will need assistance will obtain it from those centres and the workers looking for a job can register there. The farmer hiring a worker will no longer have to bother about administrative problems such as unemployment insurance deductions, Canada Pension Plan, income tax and other paperwork since the accountant and the secretary of the centre willl handle these problems. The only thing the farmer will be required to do is send a cheque every week or every two weeks to the Manpower Centre which will take care of the rest.

If the manpower centres for farmers work as we hope they do, they will enable us to establish the number and the kind of workers we need in a specific area. If there is no manpower available in the area, we can then import workers from elsewhere, or train local people for the kind of work to be done.

The Canadian Dairy Commission will amend its regulations so that dairy producers may incorporate, which will enable them to go away for a week end, to have a holiday from time to time or to look after the herd of one of the partners who is ill or injured. The quota portion which can be subsidized has been restricted up to now to 700,000 pounds of milk. That limit was entirely sufficient for a family farm; it is not, however, for two or three families willing to pool their resources in a joint venture. The Commission will amend that regulation in order to increase this maximum for joint ventures and corporations. In order to avoid that some cunning person use an old aunt, a cat or a dog as a pretense to increase his quota, thus contravening the purpose of the regulation, the Commission will require each of the partners to be a full time producer and to have a fair amount of the capital of the joint venture. Each partner will also have to do some part of the work. We do not want this amendment to be profitable to some rich lawyers or doctors who try to evade income tax through false corporations or cooperatives. We want it to be beneficial to the real milk producers of Canada.

For too long now, the farmer has been at the bottom of the economic pyramid. The Canadian consumer has always had the cheapest food in the world. This bargain can go on under the sole condition that farmers be enabled to improve their chances of a fair and reasonable return.

It is a fact that very few people are aware of the primary role played by agriculture in the Canadian economy. Canadian dairy cattle producers now have a large export market. The exports of pure breed cattle have reached a record figure, to which a large number of non registered dairy cattle are added each year. Canadian dairy cattle are in great demand abroad.

The federal government has established a certain number of programs aiming at subsidizing our agriculture and our farmers, and these programs are largely responsible for the very low prices of food products in Canada at the present time. I do not intend to examine all of them, but I should like to give a few examples, if I may.

Through our Health of Animals Branch, we have kept our cattle free from a number of foreign diseases. The federal government has led the way by ridding Canadian cattle of tuberculosis and keeping them relatively free from brucellosis. Our cattle are among the healthiest in the world, which has contributed in reducing to the minimum the production cost and administration problems.

Our government intends to continue helping farmers meet in an objective and competent way the competition on international markets.

● (1500)

That is why we have insisted so much on marketing. Results are beginning to show. Farmers naturally want to take the best advantage from their relatively good position in the production of many farm commodities.

I would like to add that the Canadian Dairy Commission is constantly looking for export markets. When the United States asked for 25 million pounds of powdered skim milk, the commission was first in taking action and calling for tenders. We did all we could to obtain this market and as a result half the American demand has been supplied with the stocks of the Canadian Dairy Commission and those earmarked for trade, at competitive prices on world markets. On January 25, 1974, the Minister of Agriculture (Mr. Whelan) announced in Ottawa the sale to Mexico of over 35,000 metric tons of Canadian powdered skim milk worth $4 million.

Here is a minister who wants to help agriculture, who does not intend to slow down his efforts to help farmers get an adequate standard of living.

That is the most important sale of skim milk powder ever achieved between Canada and Mexico. The deal was signed by the representatives of the Canadian Dairy Commission and Conasupo, the Mexican government agency in charge of purchases. That is the type of quick action that can be expected from a national marketing agency and it should give those who oppose such boards another good reason to dispute those boards' ability to co-ordinate export development efforts.

Our aim is to make the Canadian Dairy Commission the best agency in the world. It is a great challenge, but we surely intend to meet it.

The Department of Agriculture of Canada co-operates with provincial representatives in setting a better and more complete program of establishment inspection.

The federal government worked very hard behind the scenes to open the new markets we have today. Those valuable achievements have contributed to improve the status of farmers. And it is only a beginning. But now, we should certainly not rest on our laurels.

On the contrary, we are decided to continue our work even harder because we think there are even greater opportunities. Yet, I am convinced that Canadian farmers deserve at least 100 per cent of our efforts. I know that we shall have to be tenacious in order to get new and expanded markets for the benefit of Canadian farmers at home and in other countries.

Mr. Speaker, we did not dare interfere with the farm products business. We have merely passed legislation allowing provinces to co-operate in marketing in order to prevent confusion in the sale of farm commodities at the national level.

Our farmers know how to increase their output and improve the efficiency of their farm but they need sufficient incomes to invest in equipment, buildings, fertilizers and the management systems required for optimum efficiency.

For at least ten years now the dairy industry has been asking the federal government to pass measures to ensure the future of producers and stabilize their production.

In his very famous book entitled: *Future Shock* Alvin Toffler foretells that the pace of change will steadily increase. According to him, people, institutions, businesses and even nations that will be able to adapt themselves to change and orient it towards their own interests will be the ones that will succeed.

In the last months, we had cause to lose all our illusions about the possibilities of creating a stable dairy industry, economically independent, protected as it were against the disruption affecting other farm sectors as well as the economy as a whole. The changes that took place with regard to feed grain and protein additives were a blow to the very heart of our industry. Beef production now seems more attractive to some dairy farmers. The increasingly obvious shortage of skilled labour has checked expansion and has caused some farmers to go out of business altogether. Finally, the energy crisis affects all farmers.

The dairy industry cannot, must not be and is not immunized against change, whether it likes it or not. As a matter of fact, it even showed in the past that what mattered above all was to accept change and profit by it.

More than 40 per cent of the dairy farmers have actually gone out of business during the last five years. Still more important changes took place in the consolidation of factories and creameries. Within 20 years, the yield of a cow increased by 57 per cent in Ontario. Five years ago, only 32 per cent of the cream and milk suppliers had at least 18 producing cows. That percentage has gone up to 44 now. The rate of change increases steadily. It can still be increased. For instance, the yield per cow, which amounts to 8,000 lbs. per year in Ontario at the present time, has still not reached West Germany's figure of 8,600 lbs., that of Denmark, of 8,800 lbs., nor that of the Netherlands, of

9,400 lbs., and I must add that our own average is still far from the 20,000 lbs. registered by some Canadian producers.

The farmers' lot has also improved compared to other sectors of the economy. In ten years, the farm cost index has surely increased by 49 per cent, but during the same period, incomes have increased by 168 per cent.

Mr. Speaker, I should like to say that in 1962-63—

The Acting Speaker (Mr. Laniel): Order. I regret to have to interrupt the hon. member, but the time allotted to him has now expired.

[*English*]

Mr. J. R. Ellis (Hastings): Mr. Speaker, I am not at all sure where my hon. friend lives, but I know that what he has been saying does not reflect the problems of the dairy farmers in eastern Ontario; that is for very sure. As has happened a number of times in the past, once again the Conservative Party is acting as the conscience of the Canadian people. If the present government were carrying out its duly constituted responsibilities, there would be no need for the motion introduced by my colleague the hon. member for Joliette (Mr. La Salle).

The motion is couched in the very proper terms normally used in this august assembly, asking that the House consider reform of the dairy industry, requesting that it immediately introduce its policy and also requesting that it announce an increase of $2 in the price per hundred weight of industrial milk. That language is very fine for the heady atmosphere of the House of Commons, but in fact the farmers in my riding are the more earthy type and they want no part of that highfalutin' language. They are demanding, and rightly so, a dairy policy and saying with the conviction of years of hard labour that if it is not damn soon coming, there will be no dairy industry to worry about.

● (1510)

It is not very long ago that the big majority of the members of this House, and in fact the majority of the members in every provincial legislature in Canada, were either farmers or farm-oriented. This is no longer the case, and more's the pity. In those days the problems that exist now were unheard of. Simple policies made sense then. A farmer had to be allowed to earn a decent living and, as a result of his hard work, a reasonable profit—not a big profit, by a long shot. Food reached the tables of all Canadians at a price they could afford.

A product of the urban environment myself, I have made a point of becoming aware of the problems of the farmers in Hastings county. It is interesting to note that from a purely statistical point of view, the number of people on farms is down to a mere 5,000 out of a total of 65,000 in the federal riding of Hastings. This is a riding where milk and milk products form a major part of the farming area. Cheddar cheese from Hastings county, whether it is from Mapledale, Foxboro, Buelah, Eldorado Cheese factories, or as marketed by the world famous Black Diamond Cheese Company in Belleville, is without question known to be the finest Cheddar cheese in the world. Yet politically speaking, the clout of the dairy farmer has dwindled to very little, and so it is that a city boy like myself joins with all my colleagues to demand action on behalf of the dairy farmers.

Members of the government ridicule a policy of controls and sometimes it is hard for a rightwing, free enterprise conservative like myself to accept a principle of greater government intervention. Let me show you some of the costs that the farmers in my riding are encountering now, unreasonable costs and even more unreasonable increases. If these were not in fact actually foisted upon them by an uncaring federal government, at least there is no evidence of any sympathy or assistance from that same government.

I dislike the reading of bare-bone statistics, but the numbers which I intend to quote now are more than just bare-bones; they could be the death-rattle of the entire industry. During the recent recess I made it a point, with some of my colleagues, to get even more deeply involved in the problems of the dairy industry, and the prices that I intend to quote now for 1974 are current as of four weeks ago. I have a long list of figures here and I wonder, Mr. Speaker, if I might have permission to table the list and then merely comment on it. This is a full page of statistics.

An hon. Member: We want to verify them.

Mr. Ellis: I will give them so that you may verify them. Let us look at some of the figures. The price of cob corn increased from $61 per ton between 1973 and 1974 to $112, an increase of 84 per cent; 16 per cent dairy ration increased from $73 per ton in 1972 to $138 a ton in 1974, an increase of 90 per cent; soybeans have increased in price 100 per cent from 1972 to 1974; corn gluten, which sold at $54 per ton in 1972, now sells for $106 a ton, an increase of 96 per cent; binder twine increased from $7.50 per bale in 1973 to $23.25 in 1974, an increase of 210 per cent.

Then in respect of seed—and farmers need to seed their pasture land—vernal alfalfa increased from $42.50 per 50 pounds in 1973 to 92.50 in 1974, an increase of 118 per cent. Other types increased in this period from $46.50 to $100, an increase of 115 per cent. Hay pasture mixtures increased from 77 cents per pound to $1.45 in the period between 1973 and 1974, an increase to 88 per cent. The Canadian dairy farm type of pasture mixture increased from 72 cents in 1973 to $1.35 in 1974, an increase of 87.5 per cent. Spring grains increased from $2.75 to $4.95 per bushel in this period, an increase of 80 per cent. That is for certified No. 1 Rodney oats. Certified Herta barley, which sold for $2.85 per bushel, now sells for $5.75 per bushel, an increase of 102 per cent.

Considering the impact of those price increases, is there any wonder that the farmers are demanding an increase in the price of industrial milk? The price increase that was requested a few months ago was in consideration of the prices in effect at that time. What will be necessary to even meet costs, never mind show a small profit, is hard to estimate from day to day.

Is it any wonder that dairy farmers are going out of business? The production of milk is nothing like building widgits in a factory. If the government were to suddenly say that they would be prepared to pay a price, any price, fantastically high, for all the milk that every farmer could produce at the present time, it would not increase milk production by a single drop. It takes time and planning

and careful management. Cows are bred, the strain is improved and they grow to maturity and begin to produce milk. Barn facilities have to be prepared or reactivated. The gleaming, stainless-steel receptacles for milk fully refrigerated-cost a small fortune to install and maintain. The milking parlour of today bears absolutely no resemblance to the stable of even 25 years ago. How can we possibly expect farmers to plan three year in advance?

Here we are, on the 22nd day of March, and the dairy year begins exactly five working days from now. If the Minister of Agriculture (Mr. Whelan) knows what the policy for the year 1974-75 is to be, it is a big secret and he is not telling anyone, least of all the farmers who must have some information on which to base their forecasts for the coming year. It is absolutely imperative that the federal government come up with a long-term policy, fair to the farmers, one that they can bank on and one where they will know where they will be in the years to come, instead of going from hand to mouth. I ask hon. members in this House today, if they had the information that the dairy farmers of Canada have right now with regard to their future, would they invest $100,000 to a quarter of a million dollars? Would they be prepared to put their entire future in hock based on the information that has been given to us by the Minister of Agriculture so far this year?

At one of the many meetings I attended during the recess I spoke to a young farmer. Luckier than most, he had inherited some of his father's milk quotas and had a bit of a head start on some, but at 24 years of age he was looking forward to a debt that would last him beyond the year 2000, with no real certainty that it would be paid off by then. That takes a tremendous amount of courage, a lot of guts and a lot of daring considering the flimsy promises he has from the federal Minister of Agriculture with regard to any assistance for his future.

We heard the airy promises of the throne speech some weeks ago. But farmers cannot build on promises. I have letters on file too numerous to mention, from farmers of all sorts, who point out that they are actually locked in with an investment of over $150,000 and a rate of return far less than 1 per cent. They are actually struggling to make ends meet, when some of the giant corporations who market the foodstuffs that they produce are showing increasingly larger profits. I want no one to misunderstand me. I am not taking up the "corporate-bum" cry of my left wing friends, nor have I anything against profits. As I stated earlier I am, and will continue to be, a strong free enterpriser; but there is an obvious need for controls.

I am pleased that the policy of my party with regard to agriculture is also a free enterprise policy. It is a policy that demands that this government ease restrictions on lending to farmers of all ages, that will allow part-time farmers to qualify under the Farm Credit Act and the Farm Improvement Loans Act. It is not unusual in my riding to have a man who sincerely wants to become a full-time farmer get up at 4 a.m., work on the farm until seven, drive to a factory where he has to work in order to keep his family alive, and after a full day in the factory return to the farm to work until nine o'clock at night.

● (1520)

The ARDA program must be vigorously expanded. An area within my riding and the surrounding ridings that is of considerable concern, and has been for the past few years, is the problem of the disposal of whey, a by-product of the cheese industry. At present, it is a pollutant on the land and in the streams. We have known for a long time that this material contains tremendous quantities of protein and other valuable ingredients, but despite all efforts I have not been able to persuade the federal government to participate and assist in the extraction of these nutrients for the benefit of all Canadians.

Fortunately, the provincial government of Ontario is working toward this end. I know that at least one plant adjacent to my riding is being established which I hope, by dint of the ingenuity of private enterprise and with some government assistance, will be able to produce a worth while and needed product and remove a threat to our environment. As I have said in earlier speeches on the subject, the resource material will come to around a quarter of a billion pounds annually. Certainly it is a quantity to reckon with.

Probably the most important facet of our policy is our willingness to ensure the farmer a stable price for his product provided he is willing to produce the commodities in demand. We firmly believe that farmers will produce at the maximum if they have some assurance that they will not be forced out of production during periods of high input cost and unstable world market conditions.

A strong commitment must be made by this government to a national policy of meeting Canada's dairy product needs from Canadian production, and it must be made at once. The fact that we are having to import butter in millions of pounds, and do not have enough of our fine Cheddar cheese to meet export demands, is nothing short of scandalous. In order to get this production to where it should be, there must be a sharp upward revision in present thinking in government on the level of return that is required in the dairy industry today compared with other occupations both farm and non-farm.

One of the very real costs of production is in the labour force. Recently, the hon. member for Wetaskiwin (Mr. Schellenberger) recommended that pools be formed of high school and university-age youths to meet the seasonal demands of farming. This perhaps would be an excellent suggestion, but the dairy farmer who must milk his cows morning and night, 365 days a year if he is a fluid milk producer, and almost that long if he is an industrial milk producer, needs help to provide a stable labour force where the hours of work can be shortened and the pay improved so that wages are more in line with income available from alternative employment.

We talk about energy shortages and other international problems. These are serious problems. But does anyone have any idea what the crisis would be like if the housewife in the supermarket, no matter how much money she has in her hands, could not purchase enough food? This is a very real possibility if the farmer is not assisted to remain on the land. Frankly, I do not know how to state this dread possibility strongly enough.

At one of the many meetings I have referred to, a veterinary not too many years old, but with a wisdom well beyond his years, stated the problem in a way that no city boy representing the farmers could ever do. I shall try to quote Dr. Murray to the best of my ability. This is what he said: "All the statistics, the input costs, the marketing schemes probably completely miss the point. We are no longer dealing with an old-timer who came through the depression when milk was 50 cents a hundred weight. No matter how tough times get, he can always refer back to those days and decide that the present situation is at least better than that. Those farmers were patriotic, but they were only a couple of generations removed from the old country. During the war they produced food out of patriotism. Ceilings were removed from labour costs after the war, but not on food. The old-timer took the attitude that times were worse during the depression and he went on producing."

"In the past some organizations have tried farm strikes, but they failed because of the dedicated old-timer's patriotism. But these men are quietly fading from the scene. The educated sons are taking over, and if our educational system has done nothing else it has taught this generation that you don't do one damn thing unless you get paid for it. They'll try farming, but unless you lay some of that green stuff on the palm of their hand they quit and do something else. You and I have got to show these young men that they can make a living, plus interest on their investment, and if not we will have no farmers tomorrow. This is what has to be done." Those words, from one of the wisest men in the dairy industry whom I have ever encountered, sum up the situation pretty well.

We must have new and aggressive policies that will reverse the trend of Canadians leaving the farms. The aim must be to bring the terms and conditions of life in the agricultural sector up to par with the financial and other returns of urban existence. The Canadian agricultural industry and all its allies and subsidiary components basically require two ingredients for economic stability. These are: a constant market for its product and a fair margin of profit on the labour and capital invested. If today's evidence of the problem of uncertainties in rural food production and in the world economy teaches anything, it must be that we must have a regular and dependable supply of food products from Canadian production. Not to utilize the great agricultural resource base of Canada to produce our own dairy products would be a tragedy.

The Acting Speaker (Mrs. Morin): The hon. member for Malpeque (Mr. MacLean).

Hon. J. A. MacLean (Malpeque): Madame Speaker, although I have been in this House for some time, this is the first time that I have had the pleasure to address a Madame Speaker in the chair.

Some hon. Members: Hear, hear!

Mr. MacLean: I think it is a very important resolution that is the subject matter of this debate, but it has wider ramifications than just the production or the cost to the consumer of one particular product. Of course, what we are referring to chiefly in the motion is manufactured milk, and for a few moments, I wish to refer to the problem with regard to its special application in Prince Edward Island, the area from which I come, where the agricultural industry consists mainly of mixed farming, a very important element of the success of which is the dairy industry. This is true in many of the older and more settled parts of Canada. I believe the same is true in the province of Quebec. The income from dairying is an important factor in the life of an agricultural area. I can imagine urban people who have been cut off from the countryside for a generation or two becoming a little tired of hearing farmers like myself and others in the House—we are diminishing breed both in the House and in the country—complain about what they think is our particular problem.

[Mr. Ellis.]

● (1530)

Madame Speaker, in my opinion this is not just a problem of dairy farmers; it is not just a problem of farmers; it is not even just a problem of rural Canada. It is a problem that has far wider ramifications and implications than that. This problem concerns all Canadians. It concerns urban people, and I hope they realize this, even more than rural people who are the producers of dairy products. Although the first impact may be felt by the producer, a worse impact will inevitably fall upon the urban dweller if we do not have national policies that make good sense.

Recently, a royal commission in Prince Edward Island known as the Adams royal commission made a report on the dairy industry in that province. I should like to quote from the introduction and observations as follows:

> While there can be little need to remind dairy farmers of the fact, it is worth making the point for those who have never had the pleasure, that dairying is a particularly demanding occupation. In a society becoming increasingly leisure conscious that seven day a week nature of the business is not one that is accepted lightly. This fact has two very important implications which are frequently overlooked. Firstly, those in the business have a particularly clear right to fair and stable prices and that, secondly, if this is not forthcoming and they leave it, there is no endless queue waiting to fill the vacancies. Given this and the fact that dairying brings in about one-fifth of total agricultural income in P.E.I., and failure on political, partisan or prevaricatory ground to take the steps which are necessary to resolve the industry's problems will be especially unforgivable and extract a price which will be heavy and shared ultimately by every citizen of the province.

I believe that these remarks apply nationally as well, because many people, including the minister, have said this is not an industry that can be turned on and off at will. This is an industry in which there has to be a reasonable expectation of security before young men will enter it and produce dairy goods in the years ahead; I was going to say "for future generations" but that is looking unnecessarily far into the future. If we do not ensure this, the dairy products required for the nutrition of Canadians will not be available within the next decade. We are already importing large amounts of butter and some other dairy products.

There is another very important side effect, and this is especially true in the mixed farming areas of Canada, the backbone of rural Canada in a way; and that is not to deprecate the one-crop experts who frequently operate large areas growing specialty crops such as wheat and tobacco. I refer to the family farm, what we think of as the rural life of Canada, for whom a stable market for dairy

products is a necessity, just as the products themselves are a necessity for Canadians.

The royal commission report continues:

The dairy industry is of very considerable significance in the total agricultural picture in P.E.I. Although over the last decade there has been a steady decline in both cow numbers and total output, cash income from dairy producers has remained fairly stable at around 15 per cent of total cash income from farming. Its importance, in fact, goes much beyond the actual cash receipts which show up in statistics. This arises from the fact that the year-round income from dairy cattle is a very important stabilizing factor to both the cash flow and general economic health of many farmers and the fact that the further processing of the product takes place on P.E.I. results in the creation of many more jobs and increased economic activity.

Over the last ten years there has been a fairly steady decline in the numbers of dairy cattle on farms in P.E.I. In 1971 the number was down to approximately 28,000 cows and heifers of two years and older, which compares with a figure of 35,000 in 1967 and 39,600 in 1961. Over the same ten-year period, total production of milk declined from 227 million pounds to 198 million pounds.

The report goes on:

Thus in 1967 no less than 66 per cent of all census farmers in Prince Edward Island ... were deriving part of their income from the sale of either cream or milk.

Possibly of even greater significance is the fact that while between 1967 and 1972 the number of census farms declined by approximately one-third, over the same period the number of milk producers was halved and fell to 48 per cent of all census farmers.

The dairy aspect of farming in my province has been so unsatisfactory that those engaged in it are leaving at a greater rate than people in other types of farming. The criticism that I am about to make is not a partisan one, but for many years I have felt that the machinery of government is terribly deficient in evolving agricultural policy and rural policy in general. The reasons for this are difficult to pinpoint. I think it is because governments take most of their advice from experts in economics, in statistics, finance or some related field and they do not really understand the implications when they try to apply this advice to agriculture or to the rural philosophy of society in Canada. There is not enough input from rural Canada.

Time and time again governments, with the best intentions in the world, evolve policies which have a bias in favour of urban Canada written all over them. I think one of the greatest tragedies that history will show, and indeed it is still happening, is that Canada has become so urbanized over such a short period of time in a few large centres. This has created, and will continue to create, great problems for us as a nation in all areas, from crime to pollution, food prices to the price of land for homes, and everything else.

● (1540)

Mr. Reid: Madame Speaker, may I ask the hon. member a question?

The Acting Speaker (Mrs. Morin): Does the hon. member for Malpeque agree?

Mr. MacLean: Yes, Madame Speaker.

Mr. Reid: Madame Speaker, I agree with the hon. member's premise that the continued urbanization of Canada has unfortunate effects on employment. Does he suggest that the motion put forward by his party will slow down the urbanization of Canada, or is that merely one aspect of the general policy thrust which the hon. member is suggesting?

Mr. MacLean: Madame Speaker, this is one small aspect of the general problem. People, especially young people, have been driven off farms and out of rural Canada and have crowded into cities. Often they have created problems with regard to employment. Those problems do not affect them, as usually those who migrate have attained an educational standard and standards of health, ability, intelligence and responsibility which enable them to find employment. Nevertheless, their migration increases competition for jobs available in urban centres. That is only one factor which must be considered if we are to maintain a healthy rural society which will be attractive, especially to young people who are growing up and being educated on farms.

Part of our mistake has been that in the past few years we have worshipped false gods, or golden calves: perhaps I had better say that since we are talking about the dairy industry. We have been sold a bill of goods. We have been told that size is equivalent to what is desirable, that progress is synonymous with growth and that a healthy economy must grow rapidly. It is elementary to observe that nothing can grow indefinitely. Things which grow too large and too long collapse under their own weight and become extinct, like the dinosaur.

It is obvious that Canadians, both urban and rural-dwelling, want a high quality of life in a suitable environment. They want to be reasonably free from pollution and from anxieties created by crime. If they can look forward to reasonably priced housing on land which can be bought for reasonable prices, instead of for prices which are so high because demand is greater than supply and they are being gouged, and if they can look forward to a reasonable diet at a reasonable cost, the prerequisites for the good life will have been met.

Yet, as someone else said, man does not live by bread alone. We must consider the sociological aspects of this rural and urban problem. One aspect, of course, has to do with the dairy industry's troubles which we are considering at present. We must look at the whole picture and make sure we act in such a way as to lessen the economic difficulties of farmers, especially dairy farmers, so that there will not be the continued migration of people from agriculture generally and from dairy farming in particular. If present trends continue much longer, the countryside will be almost totally depopulated. Cities will be overcrowded and their inhabitants will pay exorbitant prices for food much of which probably will be imported from other countries. That situation is totally unnecessary.

I believe, Madame Speaker, that my time is nearly up; I did not notice the clock when I started. May I conclude by quoting something written by a former constituent of mine, Dr. Gordon A. MacEachern. Writing in *Reader's Digest* of October, 1973, he said in part:

When I was a boy in Prince Edward Island, our village, Appin Road, was a happy farm community like hundreds of others in rural Canada. It had a church, school, two small stores, and some 30 families in and around it. Three miles away at Bonshaw were more stores, two churches, a dance hall—

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

● (1550)

[*Translation*]

Mr. Florian Côté (Richelieu): Madame Speaker, it is with pleasure that I rise for the first time with the hon. member for Louis-Hébert (Mrs. Morin) in the chair.

Some members have probably noted that I do not often rise to speak in the House. This is not because I do not see the problems in my country and in certain classes of society, but rather because of a kind of philosophy inherent in some people as a result of which each person conducts his business in his own way. I have always thought that good opinions are fine and can be expressed very strongly, but I am much more interested in the possibility of influencing those who make the decisions than in making long speeches.

As for the motion before the House, I just had to say a few words about it since my constituency is the one most affected in Canada by the changes in the dairy industry. Like my colleague from Bellechasse (Mr. Lambert), I can boast that I have lived from this dairy industry, and we can both use something else besides figures or words like those used in connection with this motion.

I was very disappointed that the motion introduced by the hon. member for Joliette (Mr. La Salle), which I feel is very important, received so little support from the members of his party, who have all left the House. Because this problem concerns the eastern provinces, at one time there were only three Progressive Conservatives in the House to listen to the only French-speaking member who can speak knowingly about the dairy industry. They all left the House, and I thought that maybe his motion was considered—

[*English*]

Mr. McKinley: I rise on a point of order, Madame Speaker. Having listened to what the hon. member has said, I think it should be brought to the attention of the House that when the Minister of Agriculture (Mr. Whelan) was speaking there were no cabinet members here to listen to him. This is typical: he talks and the government turns a deaf ear.

Mr. Goyer: How many members of the hon. member's party are present in the House?

[*Translation*]

Mr. Côté: Madame Speaker, it is understandable that no ministers were here to listen to the Minister of Agriculture, because within the party that governs the country the dairy policy and what it will become are common knowledge, while the opposition which does not know what the dairy industry is all about should at least listen to the member for Joliette.

For me, the motion of the hon. member for Joliette is like the oscillating piece of a clock that goes tick-tock. As the clock, the hon. member is making a little bit of noise. There has been no fundamental explanation of the motion nor of the way in which the people should consider the $2 increase that the hon. member has suggested. I thought at one time that the motion might have been introduced to allow the hon. member for Joliette to make some kind of a stand. He knew government members were in a very good mood for it, knowing the situation and aware that the policy would be announced in the near future. The hon. member had to boost his credit somewhat, as with the motion on the French language which was introduced at the Progressive Conservative convention and put off indefinitely. That was a great disappointment to me because on a subject so important members of his party might have given him some support.

I will now turn to certain criticisms which were made. The hon. member for Joliette says that in the past five years this government failed to understand the needs and demands of farmers. Here again, he should have kept in closer touch with farmers and studied with more depth the explanations given by farm associations. He could also realize through the statistics that in the past five years the situation changed a great deal which I think is not yet enough for the farmer. At least the situation changed. Prices in five years rose from $4.98 to $7.16.

Mr. La Salle: Yes, but milk costs $10.

Mr. Côté: It is unfortunate, Madame Speaker, that the hon. member for Joliette was not lucky enough to be in the same position as I was at the time when he was selling tobacco. I was milking cows and I knew what it was like to be faced with understanding governments. And I will give an example. If the hon. member for Joliette wants to understand, because he needs to be informed, I am prepared to give him a refresher course whenever he feels the need for it but for the time being he could listen to me. He might realize that I understand his motion a lot better than he does but he is going to help me as well as his colleagues to try and implement what I ask.

In five years, there has been such an increase but I remember, as I mentioned earlier, that at the time he was selling tobacco and I was milking cows, I was making representations on behalf of the farmers associations, as a member of UCC, as a leader of the UCC confederation of the Nicolet diocese and of the Coopérative fédérée. I have been a little upset by the fact that the hon. member for Temiscaming (Mr. Peters) did not recognize a few minutes ago the true values of the Coopérative fédérée du Québec, the only agency in the world who is "setting" prices. No agency in Canada or in the world can give the farmer a definite price as such and there is no company able to do that. Therefore, I find it a pity that such a thing has been said.

So, Madame Speaker, I was making those recommendations in 1956-57. We no longer live in that period but I gave them for comparison purposes.

I do not merely want to utter words, but I shall confine myself to the philosophy of an individual, of a group or a political party, so that words take on more weight.

I was pointing out that we were selling our milk $3.25 per hundredweight. I also made representations to Quebec. At the same time in the sixties, the Progressive Conservative leader in Quebec, who should have been here today since he represents a dairy area and his constituents have to come and see me to solve their problems, namely the hon. member for Saint-Hyacinthe (Mr. Wagner) was min-

ister in a Liberal government and was compelled to pay. It was the only time since Confederation that the province had to pay something because the Conservative government in Ottawa did not understand the dairy policy. Madame Speaker, the price paid is different after six years of a Liberal administration. I sold milk for $3.25 per hundredweight in 1961-62 and I hope that the hon. member for Joliette will accept those figures—

Mr. La Salle: I was then selling cigarettes for 25 cents a pack.

Mr. Côté: —I could send them to him so that he may let his Progressive Conservative colleagues know that the price of milk was set at $2.53. For six years there had been a reduction and, at that time, there was also an increase in production costs. Everybody was moving to the cities. I say to the hon. member who spoke before me and who was complaining about farmers leaving their lands, that he is himself contributed to that as a member of the government of the day which demonstrated what it meant to do with the milk industry in Eastern Canada.

I used to compile figures at the time I was a member of the UCC, figures which I should like the hon. member for Joliette (Mr. La Salle) to explain to the hon. member for Saint-Hyacinthe (Mr. Wagner) who also needs to understand the situation. At the time I compiled these figures in 1963, a Liberal administration was elected in the province of Quebec which had really been had for believing the Conservative government.

At that time, the government invested 75 per cent of the agriculture budget in the three Prairie provinces where there are only 35 per cent of the farmers. This means that British Columbia, Ontario and the Eastern provinces which account for 65 per cent of the farmers shared 25 per cent of the budget.

Let us consider if in 1972 the government was fair towards all farmers in Canada. I have come to the conclusion that net income of Western as well as Eastern farmers has not decreased but rather increased, with nothing being taken from one to be given to the other.

However, if the hon. member for Joliette does not believe it, he only has to refer to *La Voix Métropolitaine* of March 12 which reports that the hon. member was introduced by the former Minister of Agriculture in the province of Quebec, also formerly in this House, and who, like a pendulum, went from one side to the other and was eventually beaten.

I do not wish anything like that to the member for Joliette, but that is what is going to happen to him. When he was introduced by the former Quebec minister, the member for Joliette said in my own region, in Sorel, that the 56 Liberal members from Quebec are good for nothing, that they have no sense of representation and give everything away to westerners. If that is not true. I ask him to read an article published about this in *La Voix Métropolitaine* and demand a retraction from the editor; and if it is true, how can he feel at home in a party that blames us and prevented us from passing specific measures for the marketing of farm products, at the very moment when he left that party. And now he joins that party again, perhaps hoping to be appointed minister, something I do not wish him because unfortunately he is not able to fill that position. But he comes to Quebec to make such statements; that is wrong and I resent it; it is fostering separatism to pretend in Quebec that Quebec members give everything away to westerners. How will he go about convincing members of his party of such things?

Unfortunately, Madame Speaker, there were not very many people at the meeting; I should have liked to have seen a better attendance: the criticism would then have been of greater value. But the damage was not really serious because hardly anyone listened to him, which made the representative of the former minister say that he could certainly give a retraining course to the hon. member for Joliette.

Madame Speaker, I do not want either to speak beyond the time allotted me, and although this does not happen to me often, I wish I had had time to express of a few more thoughts. The hon. member for Joliette forgot that some farmers' groups have said publicly that the Liberal party was the only one that understood them to some extent, although not as much as they could have wished perhaps. They said: We will go also to the opposition parties because they too have members in the House who represent the authority. And so they went to see them. But when they came to me last Saturday, they said: Had this been a majority government, we would not have to make representations this year.

● (1600)

In a minority government, you are obliged to "push" a lot, because of the obstruction of the opposition member.

The hon. member for Joliette (Mr. La Salle), Madame Speaker, could really have said something in his speech, and in the first place, he should have made suggestions as all my colleagues who are concerned with agriculture have done. There are many of them on the Liberal side and we all made suggestions in private to the minister.

We know that when this policy is announced, it will be meaningful! We too would like to get a maximum. If we suggest to increase the subsidy on milk, the Minister of Consumer and Corporate Affairs (Mr. Gray) will be blamed by Progressive Conservative members for increasing the cost of living.

If I ask the Minister of Agriculture to increase the subsidy on butter, the opposition immediately will blame the Minister of Consumer and Corporate Affairs for allowing costs to increase and they will go and cry on the consumer's shoulder.

As far as we are concerned, we are going to run a risk, not a political one, but a risk that will be announced in due time. The hon. member for Joliette will not understand a thing but I will then give him a retraining course. We are going to run a risk. I wish the government would carefully consider the very important matter the hon. member for Joliette did not think of, namely that portions of money that should be spent on the marketing quota that was not covered previously and which hopefully, will be covered this year. He had not even anticipated this, and I challenge him to tell me what return this would bring to the province of Quebec in terms of millions of dollars, if we followed that course of action.

As for me, I have all the calculations before me and I gave my views to the minister. My colleagues did it: they expressed their views to the minister. This will result in a series of quite generous ideas but maybe we will be again stopped by the opposition.

So as not to overinflate his budget the Minister of Finance (Mr. Turner) will not be able to respond as generously as he wishes because he knows that he has to face a party which states one thing in one area of the country and something else again in another.

There is one thing I would like to mention in concluding and that is the manpower problem referred to by the hon. member for Joliette. But the hon. member forgot to think it over and the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) made him understand.

I would like him to be able to say that if a certain small meeting should be held in the province of Quebec he should do a bit of campaigning because his plans are about to fail. But to avoid complete failure in his campaign he should at least say that an agreement has been reached between Ottawa and the provinces so that some of the students may work on farms.

And I think the hon. member for Joliette should mention this to the member for Saint-Hyacinthe (Mr. Wagner) who did not seem to understand himself. Madame Speaker, I can see that my time is over and I would like to leave a few minutes to my colleagues. But I would reiterate my offer to the hon. member for Joliette and I am willing to give him and his colleagues a retraining course so that they may understand his motion.

[*English*]

Mr. R. E. McKinley (Huron): Madame Speaker, may I say at the outset what a privilege it is to have the opportunity to say a few words while Your Honour graces the chair? For the record, might I say the chair is occupied by the hon. member for Louis-Hébert (Mrs. Morin).

Some hon. Members: Hear, hear!

Mr. McKinley: I should like to take the opportunity to place on record some of the thoughts which came out of a meeting we held with members of all commodity groups in Huron county a short time ago. It was a valuable meeting. One is held every year and members of parliament are brought up to date with regard to the problems facing people engaged in agriculture, which are varied and many.

There has never been a time in recent years when there has been greater need for clearcut and decisive action by government in the field of dairy policy.

It will not be good enough in 1974 simply to carry on existing programs or to make only minor changes in them. What is needed are major policy commitments and initiatives. Figures issued by the Canadian Dairy Commission show that between September, 1972, and September, 1973, 2,179 producers left the dairy industry in Ontario alone. That represents 8 per cent of the producers in this one province. In Quebec, 3,174 left the dairy industry, representing 10 per cent of the producers in the province. These two provinces account for the majority of the production of dairy products in Canada.

Dairy farmers all over Canada face similar problems regardless of where they live. They have to put up with long hours and a seven-day work week. The cost of all their inputs has greatly increased. They are faced with demands for higher wages, increased unemployment premiums and higher compensation premiums in an industry where it is almost impossible to find reliable help, partly because the government pays people more not to work than the dairy farmer can afford to pay them for working.

Feed costs have risen beyond the range of a dairy farmer who does not benefit by a big acreage on which to grow his own grain. Mixed grain is selling at almost $105 a ton, and corn at $3 a bushel. Soybean meal costs more than $200 a ton and can be grown only in a few parts of Canada. Prices of all the other feeds are in the same range. The ratio of industrial milk returns to 24 per cent dairy supplement in Ontario dropped from a level of 1.87 in November, 1971, to a low of .85 in July of 1973.

The lack of confidence which has contributed to this massive exodus from the industry must be dispelled by the creation of a long-range dairy policy in which producers will be reassured as to their future. We heard the Minister of Agriculture (Mr. Whelan) suggest today that the hon. member for Joliette (Mr. LaSalle) was playing politics when he introduced his motion, because the minister had told the House in answer to a question a day or two ago that he was planning a long-term dairy policy.

● (1610)

Over a year ago, as reported in *Hansard* for March 26, 1973, I asked the Minister of Agriculture when he would be announcing his dairy policy and whether he would extend it for more than one year in order for producers to plan their production better. Further than that, I believe the records of the Standing Committee on Agriculture in past years will show that I have suggested that this be done when the Canadian Dairy Commission or former ministers have come before the committee.

My people suggest a five-year program in dairying which would be announced in advance and updated annually, coupled with a program to develop and use an economic return formula for industrial milk. This would ensure an adequate level of returns and a greater degree of confidence and stability in the industry to both producer and processor, as well as providing the consumer with an adequate supply at all times.

There is need for an immediate increase in returns to producers of industrial milk. The dairy farmers' convention in Regina voted a $2 per hundredweight increase for industrial producers, suggesting approximately $1 per hundred come from the trade and a $1 per hundred subsidy. If the consumer subsidy on fluid milk of five cents a quart is not a long-term government policy, then perhaps it should be phased out in such a way that it has a minimum market impact. We are all aware, as has been mentioned previously in this debate, that imports of milk products, particularly butter, have been increasing. In the last dairy year we imported more than 50 million pounds of butter. For a country like Canada this seems wrong and only indicates that past policies have not been adequate to encourage producers to stay in production in order to meet the demand of consumers.

Another problem that arises is that when the production of milk gets low, processing plants that process milk powder and butter are only able to operate a few days a week rather than full time. This inevitably raises the cost to consumers, while the producer receives nothing in terms of compensation.

Another matter I should like to mention is the recent seven cents subsidy provided to beef cattle producers. This is harmful to the dairy cattle producers. I say that because we all know that half of the cattle that are calved in the dairy industry do not produce any milk but inevitably are used for beef and a few are used for breeding. The seven cents subsidy announced a week ago today is of no advantage to most dairy cattle farmers because their cattle do not fall within the A-1, A-2, A-3 or A-4 category but, generally speaking, would be marketed as grade B or grade C cattle, or in other words commercial cattle.

I do not know whether the Minister of Agriculture gave any consideration to this fact, but I suggest this is discrimination. These dairy farmers feel they are beef producers just as much as anyone else. Further to that, when the seven cents subsidy was put on, the market dropped by over half of this seven cents subsidy, so one can easily see that those who could take advantage of the subsidy immediately lost half of it, about 3.5 cents a pound. This is probably one consideration that the Minister of Agriculture and the government did not take into account before the subsidy was announced.

Since the subsidy was announced we have seen great havoc in the cattle industry and in the marketplace. I am advised today that in some markets in Canada, cattle are being sold with the seven cents a pound being added after the sale; and other markets cattle are sold with the seven cents a pound included in the price. I ask, how can an industry operate in such a fashion? It seems to me some consideration should have been given to farmers with dairy cattle such as Holsteins, Guernseys and Jerseys that are sent to market and form a large part of the income of our dairy farmers.

The loss of 3½ cents a pound to the cattle producers has generally come about as a result of the lack of thought given to the situation before the announcement was made. This has caused great difficulty but is typical of some of the actions the government takes. It would have been much better for the industry had the government provided some protection from imports, which I believe is what the industry asked for. Certainly this is where the original problem arose. The minister said the government did not want to take action against imports since it had put a tariff on imports previously and had been charged for the damage suffered by United States producers. This was damage suffered as a result of the tariff put on by the government a few months ago as a short-term measure to assist the beef producers of Canada.

I suggest that that is a very poor excuse. If the government is being billed for any damage done to U.S. producers from the surcharge the government imposed, then I hope it will refuse to pay the charge levied against it. If it does not, then it will appear to be just as uninformed and to have the lack of business knowledge that a lot of people in this country think it has.

May I also point out that many milk producers in this country also raise hogs. According to letters I have received lately, the hog producers are in a similar situation to the beef producers and are faring just as poorly in terms of returns from the marketplace. The cost of their feed is equally as high. We all know that beef and pork compete for the same market and you cannot lower the price of beef without this also having some effect on the price of pork. People are wondering what the government is going to do to assist the pork producers similar to the way the beef producers have been assisted, even though the assistance was given in a way that did not do the most good.

● (1620)

Let me read from a letter I received recently in regard to the cost of producing hogs. Perhaps I could put a few of these costs on the record so that our consumer friends may realize that the production of pork is not all roses. This gentleman states in his letter:

> In regards to our phone conversation of this evening I am enclosing some figures on our cost of production. We have a farrow to finish operation. It takes 14 bushels of corn and 200 lb. of soyameal and mineral pre-mix to produce a pig—this includes feed for the sow, boar, and starter and finishing. With corn at $3.20 per bushel and soya at $200 per ton and pre-mix at $270 a ton, our cost for feed totals $66 for each hog we produce. The market at present in Toronto is $45 per hundred pounds of dressed weight—which is returning approximately $70 a pig. We are now faced with the position of having $4 per head for labour, interest, building, equipment, medication, insurance, profit, marketing, hydro and fuel—leaving us with a loss of approximately $12 per head. We market about 1,200 a year.

Mr. Speaker, perhaps I should suggest that this man is never going to become a millionaire when you consider those costs of production. He goes on to say:

> As I stated on the phone, I don't mind competing with any producer, whether beef or pork, but when it comes to competing with the government and its treasury, I am afraid I just don't have that kind of money.

I suggest that the hog producer requires some kind of protection and I do not think it should be provided by lowering the price through government subsidy, and that is actually what has happened as a result of government subsidy, although many consumers are not willing to admit it. This man then says in his letter:

> I have the plans for a new building, and the contractor ready to go, but I just can't justify going ahead if I have to work against these odds.
>
> Thank you for your phone call—it was much appreciated. I have enclosed these figures so that you could see our position more clearly.

I hope the minister will consider that situation and will see what he can do in respect of hog production. I hope we will make some change in the method he adopted in his attempt to help beef producers.

There are one or two suggestions I wish to put on the record in the hope that the minister will give them further consideration before making his policy announcement in respect of the dairy industry. I listened to the words of the hon. member for Richelieu (Mr. Côté) and noted that he did not make many suggestions but spent most of his time condemning the hon. member for Joliette. A similar situation existed yesterday at the meeting of the miscellaneous estimates committee: members from Quebec seemed to spend much of their time ridiculing Conservative members rather than trying to obtain opinions from the wit-

nesses or express policies of their own. It became obvious to me that some members across the way from Quebec have been stung a little bit and do not have things the way they used to have them. They do not have their own way all the time, as they once did. I apologize for those remarks and must say that I am very seldom political, because that is not my nature; but I could not help noticing these things.

The Canadian dairy producers have stated that they require an immediate commitment from the government of Canada to a national policy in order to meet Canadian dairy production, and that three essentials are required. They require an over-all increase in returns to industrial milk and cream production equivalent to at least $2 per hundred pounds of milk. This is a figure that seems to be agreed to by everyone, but we do not know whether it has been agreed to by the government.

In addition, the dairy industry requires a commitment by the federal government, preferably by parliament in legislative form, to the future maintenance of income for milk production at fully adequate levels. I suppose that will have some reference to the ten-year program about which the minister has spoken, and I hope this is taken into account when he makes his announcement.

The industry suggests that it needs a single quota system for industrial milk and cream, in place of the present two-part market share quota and subsidy eligibility quota system.

Mr. Speaker: Order, please. I apologize to the hon. member for having to interrupt him, but his time has expired. He will be recognized for a few more remarks, with the consent of the House.

Some hon. Members: Agreed.

Mr. McKinley: Thank you, Mr. Speaker. I appreciate very much the indulgence of the House. I should like to close by suggesting that a national dairy policy for Canada should be designed so that the requirements of the Canadian consumer for milk and milk products is met, with few exceptions, by Canadian production. Such a policy must be maintained in view of today's uncertainties in world food production. If evidence of these uncertainties in world food production and in world economic conditions teaches us anything, it is that it would be the worst kind of mistake to sacrifice a policy of regular and dependable supply from Canadian production for the imagined and, to say the least, highly uncertain benefits of a policy allowing the Canadian industry to decline, with increased reliance on imports. Not to utilize the great agricultural resource base of Canada to produce our dairy product needs would be a tragedy indeed.

Mr. Ross Whicher (Bruce): Mr. Speaker, it is nice to note on a quiet day like today that hon. members of the House of Commons are finally united in one fact, namely, that farmers have to work seven days a week and cows have to be milked twice a day, including Christmas day, Easter and all the other holidays that other people normally enjoy.

An hon. Member: Including June 24.

[Mr. McKinley.]

Mr. Whicher: It is nice to note, also, that we are united in the fact that no one in our society works harder than those in the agricultural industry, and this means not only the man of the house but the mother and the children, in many instances. The farmers of Canada, not just those in the dairy industry, work as a family unit, with the result that in many instances the mothers work harder than many fathers in other branches of society.

I am sorry that the hon. member for Hastings (Mr. Ellis) is not present to hear what I have to say. In his enthusiasm in pointing out the fact that he places so much importance on the agricultural industry, he overdid himself by suggesting that the Conservative Party acts as the conscience of the Canadian people in respect of the dairy industry. Let me suggest that for the first time in our history we have the conscience of the people of Canada, in respect of the agricultural industry, sitting in the House of Commons. I would be the first to admit that inasmuch as the Liberals have been in government more than any other party, we have had more Liberal ministers of agriculture than any other party. But having said that, let me point out that for the first time since 1867 we have a Minister of Agriculture (Mr. Whelan) who is the real conscience of the agricultural industry.

● (1630)

Some hon. Members: Hear, hear!

Mr. Whicher: I could not help thinking the other day when I was watching on television, listening on the radio and reading in the press about the great annual meeting of our Conservative friends in the Chateau Laurier who were saying they were all ready for an election, that if they had the present Minister of Agriculture in their group it might be possible that they would be ready for an election, because never in Canada's history have we had a Minister of Agriculture who has stood up so well for Canadian agriculture and Canadian farmers as the present minister who is away at this time fighting for the agricultural community. The minister does not talk politics at all. He calls a spade a spade.

Mr. Baker: You mean a shovel.

Mr. Whicher: He does not happen to be a lawyer, as the assistant House leader of the Conservative Party is who will be telling us in a few minutes how to run the farming business. That is the problem with the agricultural industry in Canada; we have too many lawyers telling us how to do things.

Some hon. Members: Hear, hear!

Mr. Whicher: But now we have a Minister of Agriculture who knows how to milk cows, unlike the assistant House leader of the Conservative Party who does not know one end of a cow from another.

Mr. Baker: I rise on a point of order, Mr. Speaker. I may have some difficulty knowing much about cows, which I am prepared to admit, but I want to say to the hon. member that I can recognize anywhere the north end of a cow going south.

An hon. Member: That's a lot of bull.

Mr. Whicher: We will let that remark rest where it deserves, Mr. Speaker. Just this morning the Minister of Agriculture said, "the dairy industry in Canada is in a bind". He admits it quite frankly. There are no politics in that. He says that the dairy farmers in Canada at present are not getting a square deal. He has travelled across Canada from Vancouver to Newfoundland and told the vegetable growers, "You do not have a square deal". He told beef farmers, "You do not have a square deal, but I will get you one". He told the tobacco farmers, "You do not have a square deal". This morning in the House he told the dairy farmers, "You do not have a square deal, you are in a bind; but I will see that you get a square deal".

Granted, if you want to play politics all down the line, the minister has not been 100 per cent, successful. Granted, as my friend the hon. member for Huron (Mr. McKinley) pointed out, the seven-cent beef subsidy that was initiated one week ago today has not been 100 per cent sucessful. But one thing the farmers of Canada know is that the seven cents subsidy is a whole lot better than nothing; and it was given by the Minister of Agriculture who convinced his cabinet colleagues that this was good for the beef farming industry, and he will do exactly the same for the dairy farming industry, as will be announced in the next few days. Have no doubt about that whatsoever.

The minister does not intend to see go down the drain this great industry that is so necessary to all of us as Canadians. This morning he told us many of the problems that he has and that the dairy industry has in Canada. He pointed out, and rightly so—this has been emphasized by every hon. member who has spoken—that the number of dairy farmers in Canada is decreasing. One of the reasons for this is, not the price of dairy products even though the price should be upgraded but that all farmers have not decided that from now until they go to their natural graves they will work seven days a week. In fact, they have decided not to do it. This is not a peculiarity of Canadian farmers; it has happened all over the world. As was pointed out this morning, in New Zealand the rate of decrease in the dairy industry is more substantial than in Canada. However, we have enough problems here in Canada without thinking about our New Zealand friends, although it is always good to make comparisons.

Something must be done about the dairy industry in Canada, and much has been done in the past by the present government. But the time has come when even more must be done and will be done, I hope, within the next week or ten days or so. As has been pointed out by members of the opposition and members of my own party, it is not right that a country as huge as Canada, the second largest in the world, as sparsely populated as we are, should have to import 56 million pounds of butter as it did last year, particularly when we remember that five years ago we had so much butter that we did not know what to do with it, and we had so much powdered milk in storage that we did not know what to do with it. We were trying to give it away or to sell it at six cents a pound. But today the price has increased substantially and we can sell it at a good profit.

Mr. Mazankowski: But you drove the small dairy producer out of business.

Mr. Whicher: It is still not right that we have to import large amounts of butter. People who are not engaged in the agricultural industry should remember that last year, if my figures are correct, we imported butter from New Zealand and Australia at 58 cents a pound f.o.b. Vancouver. It came in huge blocks. From there it was taken out to various dairies, put into one-pound packages and distributed across Canada. The significance lies, not in the fact that the butter went for 58 cents a pound but in the fact that the year before the price was substantially lower, and that next year it will probably be substantially higher.

I say to all the armchair critics, particularly to people who quoted the Minister of Agriculture this morning, such as the famous Tory paper, the Ottawa *Journal* which stated that so far as farming is concerned we should have greater efficiency, that if the Ottawa *Journal* had the efficiency of our farmers it would have a larger subscription rate than the Toronto *Star* and, as my friend here says, they would not be printing such silly editorials indicating that we must have greater efficiency in the agricultural field. Of course we can do better, but the fact is that we are the best in the world in so far as efficiency in agriculture is concerned. Our farmers demand that they be paid for it, and at the same time some of them go out of business because they feel it is easier to be an electrician, a politician, a preacher or a teacher. From what I can see, coming as I do from an agricultural area, any one of those professions is somewhat easier.

My friends who brought in this motion today did so possibly with good judgment, because we all admit that the dairy business is not the best in the world. However, it is the most efficient and the cheapest. The Minister of Agriculture indicated some prices. This is a fact that I wish the hon. member for St. John's East (Mr. McGrath) would remember. Unfortunately, he is not here this afternoon. The minister pointed out that last year butter cost, on the average, 77 cents a pound. In Copenhagen, the capital of one of the greatest dairy producing countries in the world, Denmark, it is approximately $1.50 a pound. The only nation that could approach us in the price of butter was Ireland, which was two cents higher, 79 cents. The United States was about 89 cents a pound, and in Rome, Berlin and Paris butter was almost twice the price it was in Canada. When people say that the farmer or the industry is making too much money, let me tell them that compared to the rest of the world we can hold our heads very high.

● (1640)

Mr. Speaker, it is not my intention to take up much time this afternoon. Like most other members who have spoken, and the Minister of Agriculture who spoke this morning, I agree that much more must be done in order to keep our dairy farmers happy and in business so that we as consumers can enjoy Canadian dairy products in the years to come.

The hon. member for Hastings is not here, but when he spoke he was quoting the prices that dairy farmers were having to pay for the things they need, such as hay. He said hay has gone up by 87 per cent or so. Where does he think hay comes from? It comes from the farmers. So I think he picked a very poor product for an example. I know many hay farmers in the province of Ontario who

are very pleased that it has gone up 87 per cent. He quoted the price of seed as an example of farmers' increased costs. I know many farmers in Ontario and the western provinces who are pleased that the price of seed has gone up. There are many things that we can be critical of, but when farmers are feeding produce to their dairy cattle I do not think they should be too serious in their condemnation of such things as hay and seed.

I am content to leave myself in the hands of the fighting Minister of Agriculture, Mr. Speaker. Unfortunately, he could not be here this afternoon. He is away fighting for farmers and agriculture this afternoon and will make two speeches tonight. My advice to my hon. friend is, read those speeches and see what it is like to have a man who when he walks along that fence is not afraid of falling off. Every farmer in Canada knows whose side the minister is on. He is on the side of the farmer, including the dairy producer whose battle all of us are fighting this afternoon.

Mr. William C. Frank (Middlesex): Mr. Speaker, I am happy to have the opportunity that this motion presents to make some comments and suggestions to the government on the importance of the dairy industry in Canada, and more particularly as it relates to the highly productive area of southwestern Ontario. It is interesting to hear my colleague from Bruce (Mr. Whicher) relate how well the government understands the industry. I hope he stays and listens to what I have to say.

My riding can claim the second highest production of No. 1 milk in Ontario, with somewhat over 150 million pounds annually. We also have a very high dollar value of industrial milk shipments, as well as sending dairy replacement stock all over Canada and the world. I was interested in what the Minister of Agriculture (Mr. Whelan) had to say to the hon. member for Joliette (Mr. La Salle) this afternoon. The minister severely criticized our party, trying to make us believe that it should have been unthinkable for us to even suggest devoting an opposition day to a subject that we should know his department has well in hand.

We are well aware that the minister is obligated to present his dairy policy by the first of the month, but we are also well aware of the disastrous results of the minister's current announcement respecting the beef qualify premium program. We just could not sit idly by, merely keeping our fingers crossed and hoping that when the first of the month comes we will hear a dairy policy from the minister that does not leave a lot to be desired.

The minister claims that nothing said today will change the policy which is expected to be announced next week. But remember, he had the nerve to come into this House a week ago and make a statement on a beef policy and then come back three days later with the guidelines to accompany that statement. I say, Mr. Speaker, that his department might well take into account what is said in this debate because they still have a week to go before making the dairy policy statement.

When the government recognized that the farmers of this country would listen to and accept the statements of the Minister of Agriculture he was encouraged to travel back and forth across the country, covering many thousands of miles. Being a great ambassador for the government, I am sure he enjoyed it. But I am also sure that the farmers are beginning to wonder, particularly the beef producers, just who or what went wrong in his department. There could not have been much research or forethought before the minister made his brief announcement last Friday afternoon. It immediately started the phones ringing in every rural riding. The big question is, where do we go from here? I am willing to believe that the first announcement was all the department intended to release, but when they started to get the flak, the minister then agreed on Monday that he would have a set of guidelines hopefully before the day was out.

There could be a whole debate on this one point alone, Mr. Speaker, but I do not intend to dwell on the confusion of not only the beef producers and retailers but urban consumers as well when they see the millions of dollars that are being spent on the program. My reason for mentioning this example is to emphasize to the government and to the minister that with the representation this party enjoys right across rural Canada, we could not sit idly by and keep our fingers crossed that yet another subsidy program will be announced without attempting to impress the government of its importance.

In his remarks the minister said that he hopes this motion is not just for straight political purposes. That kind of statement reminds me of one made in similar vein by the hon. member for Sarnia-Lambton (Mr. Cullen) in committee the other day when he tried to give the impression that the official opposition was the only party that resorted to political trickery. Mr. Speaker, I hope my friend had his tongue in his cheek when he said that. All anyone has to do is read some of the records of parliament the last time the Liberals were in opposition. Any so-called political trickery that our party might be accused of would look like a Sunday school picnic compared with those days.

I should like to contain my remarks, in the time I have left, to refer to some of the problems of dairy producers in Ontario and more particularly southwestern Ontario, the area I know best. First of all, I should like to say something about the cream producers. I am given to understand that there are around 4,500 cream producers in the province. Perhaps the on-the-farm cream producer did not modernize as years went by and enlarge his production from the time when the majority of milk production was handled by separating the cream on the farm.

Statistics Canada reported that production of creamery butter fell by 2.4 per cent in February to 10.2 million pounds from 10.5 million pounds a year earlier. Mr. Speaker, the cream producers are asking for about the equivalent of $1 per hundred pounds over the $2 already asked for by the industrial shippers or, in reality 30 cents per pound of butterfat. I can see where some concentrated effort to encourage cream production can be very important in order to supplement the income of a family living in the country, with the breadwinner working in town in the daytime but coming home at night to milk a few cows. He would not have to do it by hand either, as there are all kinds of used milking machines on the market today. He would then only have to separate the milk, which would give him the most natural protein supplement which is available—skim milk. He could keep a few sows, which in

turn would produce litters that he could fatten with very little more than home grown grain plus the very valuable skim milk.

● (1650)

Even though the minister is, or has been, a practical farmer, as important as any increase which farmers can get for their product, be it cream, milk or any other product, is the fact that more stress should be put on more practical approaches. Let us have such approaches instead of the grandiose plans that economists have dreamed up in some departments in order to justify the huge salaries that we have seen included in the estimates in the last few days.

I listened with interest to the minister's remarks this afternoon. I agree wholeheartedly with many of his comments, particularly those in which he compared what we pay for cheese and butter in Canada with what people in other dairy producing countries pay. I also agree that many Canadians do not realize the high level of subsidies paid to producers in other dairy producing countries. What is bothering most of us in the opposition and most of our socialist friends to my left who are partners in a coalition caucus is the fact that the Minister of Agriculture is not putting his message across to the rest of the cabinet. They do not seem to recognize the importance of agriculture.

Today in his speech the minister asked how many of his international colleagues who attended the agricultural congress in Italy were farmers. The answer, of course, is that none of them were. Instead of worrying about how many of his colleagues who attended from around the world are farmers, he should be trying to convince other cabinet members of this government of the long-term importance of agriculture for Canada. In particular, he should be trying to convince the Minister of Industry, Trade and Commerce (Mr. Gillespie) and the Minister of Consumer and Corporate Affairs (Mr. Gray). Further, how the government can justify making one minister responsible for the Department of Justice and the Canadian Wheat Board is beyond me. Of course, we must not forget the congenial Minister of Transport (Mr. Marchand). He, too, should be thoroughly aware of what agriculture means to this country.

As I said earlier, I want to make suggestions as to how the dairy industry can be improved in Ontario, particularly in my own area. First and foremost, of course, we must consider the price of milk. It must be sufficiently high to enable the farmer to carry on. Sometimes, the farmer's net income can be affected by factors which may be far more important than the price he receives per hundredweight of milk. He must consider the price he pays for dairy equipment and machinery necessary for feeding his cows. He must make a sizeable investment in all sorts of equipment if he is to carry on the dairy farm. As I say, what he has to pay for equipment and for his total investment may affect his income in a direct way.

Let us consider what the average dairy farmer must invest. There has been much talk of the expertise in this country in the area of dairy farming. What do you need to operate a dairy farm? My people have operated a dairy farm for a long time. We were in the business a long time before I became involved in politics. Let us look at some of the investment necessary to enable the dairy farmer to operate a dairy farm. First, he needs between 300 and 400 acres of land. In Ontario that land will usually be near urban areas. This situation has arisen from the fact that in earlier days dairy farmers had to be close to urban centres because of difficulties of transportation. Consequently, such land today is very expensive. Being near an urban area, it could cost between $400 and $500 an acre, so his land would cost in the neighborhood of $140,000.

In addition, the farmer will maintain between 35 and 45 cows, each costing $1,000. The possible investment for that item could be $40,000. He will need machinery, if he can afford it, and tractors which could cost between $5,000 and $15,000. Let us take the figure of $25,000 for that item. His total machinery costs could easily be $100,000 higher. Then he will need some silos on the farm. Add $20,000 for that item.

The dairy farmer is not like another farmer who can spend between $15,000 and $25,000 for a combine which can do a lot of work. The dairy farmer needs sophisticated equipment such as milking machines and tanks, on which he could easily spend between $15,000 and $20,000. As well, he will need a milking house and other buildings, which will add another few thousand dollars to his investment. As you can see, Mr. Speaker, we are looking at an investment well in excess of $300,000.

I suggest that the government should consider allowing the dairy farmer to write off equipment quickly. The dairy farmer and his sons would be encouraged to stay in the business if they could be assured of being able to update their equipment and thus save time and labour. The question of labour is also important. I know that important advances have been made in making good labour available, but we have a long way to go. The government should also look at the farm credit situation and do what it can to help the farmer save money. I know that the ceiling on loans was raised last year to $100,000. That is an improvement over the previous situation, but I feel that the present ceiling is too low and ought to be raised to a far higher level.

[*Translation*]

Mr. Speaker: Order. It being five o'clock, the proceedings under Standing Order 58 (11) having expired, this House accordingly stands adjourned until Monday next at two o'clock.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 25, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

ENERGY

INCREASE IN PRICE OF HEATING OIL IN RIMOUSKI—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to raise a matter of urgent and pressing necessity. It deals with the decision of oil retailers in the Rimouski area to increase up to 18 per cent the price of heating oil to customers whose tanks have a capacity of less than 50 gallons. Some retailers have even stopped delivery to their customers who own such tanks. As a result of the flagrant injustice which such a decision represents for the poor who are deprived of an essential service to which they are entitled, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

Mr. Speaker: Order. I must interrupt the hon. member and remind him that the motion must be introduced without argumentation in a very short preamble. The hon. member could perhaps move his motion.

Mr. Allard: Thank you, Mr. Speaker. I expected that, but to say all that I want to say, I must give a lot of explanations.

Pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to discuss a matter of urgent and pressing necessity, namely the decision of the Rimouski area oil retailers to increase the price of heating fuel by up to 18 per cent for customers having tanks with a capacity under 50 gallons.

I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House instruct the Minister of Energy, Mines and Resources to intervene in order to put an end to the discriminatory practices of heating fuel retailers who unjustly penalize people with a low income who own tanks holding less than 50 gallons by arbitrarily increasing the cost of heating fuel.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

[*English*]

ST. LAWRENCE SEAWAY

PROPOSAL TO ELIMINATE TOLLS AND DOCKAGE CHARGES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent public necessity. I hope Your Honour will permit me to give about four brief sentences by way of preamble. The strike by the Seafarers International Union will prevent the shipment of grain through the St. Lawrence Seaway system. Whereas the shipping companies cannot now compete because of the imposition of tolls and dockage charges throughout the St. Lawrence Seaway system, adding to the inflationary cost to the consumers of Canada, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the tolls and dockage charges on the St. Lawrence Seaway system be eliminated forthwith.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

UNION OF SOUTH AFRICA PRODUCTS IMPORTATION ACT

MEASURES TO PROHIBIT IMPORTS INTO CANADA

Mr. John Reynolds (Burnaby-Richmond-Delta) moved for leave to introduce Bill C-266, prohibiting the importation of products from the Union of South Africa.

Some hon. Members: Explain.

Mr. Reynolds: Mr. Speaker, "for many years Canadians have been concerned about the injustice of racist and colonial policies in Southern Africa." That statement was made by the Secretary of State for External Affairs (Mr. Sharp) on February 21. This bill, I hope, will help to correct some of those injustices.

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

Order Paper Questions

● (1410)

BRITISH NORTH AMERICA ACT, 1867

AMENDMENT RESPECTING METHOD OF APPOINTING SENATORS

Mr. Allan B. McKinnon moved for leave to introduce Bill C-267, to amend the British North America Act, 1867 (appointment of Senators).

Mr. Speaker: I am not sure whether the hon. member wishes to rise for the purpose of explaining the bill. Unless there is a request made from the floor it is difficult to interpret the hon. member's intention. If the hon. member seeks the floor for that purpose he will be recognized.

An hon. Member: Explain.

Mr. McKinnon: This bill would make the other place more representative of the wishes of the population at large and perhaps thereby restore its credibility as a function of parliament.

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

AMENDMENT RESPECTING TERM OF OFFICE OF SENATORS

Mr. Allan B. McKinnon moved for leave to introduce Bill C-268, an act to amend the British North America Act, 1867 (tenure of place of Senators).

Some hon. Members: Explain.

Mr. McKinnon: This bill will be self-explanatory when it is printed.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

ROYAL CANADIAN MOUNTED POLICE—SUPERANNUATION ACCOUNT

Question No. 26—Mr. Knowles (Winnipeg North Centre):

1. What was the total amount at credit in the Royal Canadian Mounted Police Superannuation Account as at (a) March 31, 1971 (b) March 31, 1972 (c) March 31, 1973?

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

3. What amount of interest was credited to the Royal Canadian Mounted Police Superannuation Account during the fiscal years ending (a) March 31, 1971 (b) March 31, 1972 (c) March 31, 1973?

4. What was the total amount paid out of the Royal Canadian Mounted Police Superannuation Account during the fiscal years ending (a) March 31, 1971 (b) March 31, 1972 (c) March 31, 1973?

[Mr. Reynolds.]

Hon. Warren Allmand (Solicitor General): 1. (a) March 31, 1971, $199,716,533.74; (b) March 31, 1972, $233,657,501.35; (c) March 31, 1973, $269,053,974.73.

2. (a) March 31, 1971, 5.3460 per cent; (b) March 31, 1972, 5.5895 per cent; (c) March 31, 1973, 5.8969 per cent.

3. (a) March 31, 1971, $6,908,452.99; (b) March 31, 1972, $8,325,914.58; (c) March 31, 1973, $9,498,815.49.

4. (a) March 31, 1971, $1,525,344.69; (b) March 31, 1972, $1,786,016.81; (c) March 31, 1973, $2,329,355.53.

CANADIAN NATIONAL RAILWAYS—COST OF DISPOSAL OF RIGHTS-OF-WAY

Question No. 83—Mr. Cossitt:

1. What sections of the old Brockville and Westport Railway right-of-way have been sold or otherwise disposed of by Canadian National Railways since operations ceased on this route?

2. In each case what was the total cost of disposal, to whom was disposal made and what was the price paid?

3. What plans, if any, does Canadian National Railways have for portions of the old Brockville and Westport Railway right-of-way which it still owns?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1 and 3. Of the 40 miles of right-of-way involved, a strip approximately 11 miles in length extending from a point near Newboro to a road allowance between Concessions 7 and 8, Township of Bastard, is to be retained by the Railway for possible rail penetration.

2. It is not company policy to disclose information of this nature.

OFFICIAL LANGUAGES ACT—SOLICITOR GENERAL'S STATEMENT, FREDERICTON, N.B.

Question No. 113—Mr. Schumacher:

1. Did the Solicitor General indicate to reporters on November 20, 1973 in Fredericton, New Brunswick that he hoped Mayor Leonard C. Jones would lose the case which he had before the Supreme Court of Canada against the Official Languages Act and, if so (a) was any action taken to reprimand or censure the Solicitor General for making such a statement (b) what action was taken?

2. Did the Solicitor General make a public withdrawal of this statement?

3. Was any action taken by senior members of the government to advise the court that any statements so made were not indicative of government position on the case in question?

4. What steps have been taken to prevent this type of statement being made in the future by any official who through his position in the cabinet could be construed as speaking for government?

5. If the Solicitor General did not make such a statement what was done to correct the record?

Hon. Warren Allmand (Solicitor General): 1. Yes. (a) No; (b) none.

2. No.

3. No.

4. None.

5. Not applicable.

REPRINTING OF POLITICAL ADDRESS BY MINISTER OF AGRICULTURE AT NORFOLK-HALDIMAND

Question No. 126—**Mr. Crouse:**

Was a political address made by the Minister of Agriculture to the annual meeting of the Norfolk-Haldimand Liberal party Annual meeting on Friday, February 22, 1974 reprinted at public expense and, if so (a) how many copies were printed (b) how many copies were distributed (c) what specific individual authorized this expenditure of public funds?

Hon. E. F. Whelan (Minister of Agriculture): No. (a) Not applicable; (b) not applicable; (c) not applicable.

REPRINTING OF POLITICAL ADDRESS BY MINISTER OF AGRICULTURE AT SWIFT CURRENT-MAPLE CREEK

Question No. 127—**Mr. Cossitt:**

Was a political address made by the Minister of Agriculture to the annual meeting of the Swift Current-Maple Creek Federal Liberal Association on Monday, February 18, 1974 reprinted at public expense and, if so (a) how many copies were printed (b) how many copies were distributed (c) what specific individual authorized this expenditure of public funds?

Hon. E. F. Whelan (Minister of Agriculture): No. (a) Not applicable; (b) not applicable; (c) not applicable.

ESTABLISHED SUPPORT LEVEL FOR AGRICULTURAL PRODUCTS

Question No. 131—**Mr. Gleave:**

1. What is the established support level for (a) beef cattle (b) hogs (c) eggs as of January 1, 1974?

2. Has the government had discussions with the government of Saskatchewan in regard to assisting that province with its support program of $57 per cwt. for hogs?

Hon. E. F. Whelan (Minister of Agriculture): 1. The established mandatory support level under the Agricultural Stabilization Act is: (a) beef cattle, $23.21 per cwt.; (b) hogs, $26.85 per cwt.; (c) eggs, 28.60 cents per dozen.

2. Yes.

STRONTIUM 90 LEVEL

Question No. 159—**Mr. Forrestall:**

By region in Canada, what was the strontium 90 level at the end of December of 1973, 1972 and 1971?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The strontium 90 levels, in units of picocuries per litre of milk, are as follows:

	December 1971	December 1972	December 1973
British Columbia	5.9	6.2	4.8
Prairie Provinces	6.9	5.7	4.2
Ontario	7.6	6.3	5.3
Quebec	8.3	7.0	6.2
Maritime provinces	9.7	7.0	5.6
Newfoundland	14.0	15.4	9.6

CANADIAN ARMED FORCES PAY ALLOWANCES

Question No. 180—**Mr. Forrestall:**

Has the government adopted as a matter of policy the principle of meeting the annual increase in the Consumer Price Index in terms of annual increases in pay and allowances for members of the Canadian Armed Forces and, if not, for what reason?

Hon. C. M. Drury (President of the Treasury Board): No. Pay rates for members of the Canadian Armed Forces, which are reviewed annually, reflect the principle of paying salaries comparable to those prevailing in the Public Service of Canada. Pay Rates in the Public Service compare, in turn, with those paid by outside employers. Therefore, pay rates for the Canadian Armed Forces are indirectly related to rates paid in the private sector.

PERCENTAGE OF PERSONS RECEIVING PUBLIC SERVICE SUPPLEMENTARY RETIREMENT BENEFITS

Question No. 209—**Mr. Forrestall:**

1. As of December 31, 1973, what percentage of persons in receipt of Public Service Superannuation are in receipt of benefit under the Public Service Supplementary Retirement Benefit Act (a) including those affected by recent changes in the legislation affecting such payments (b) excluding those newly brought under the legislation?

2. As of December 31, 1973, how many persons were in receipt of benefit under the PSSA and under the PSSRBA?

Hon. C. M. Drury (President of the Treasury Board): 1. As of December 31, 1973, slightly over 92 per cent of the persons receiving benefits under the Public Service Superannuation Act were also in receipt of the benefits under the Supplementary Retirement Benefits Act. The amendments to the latter act in 1973, do not affect the over-all number of Public Service Superannuation Act recipients who are entitled to increases.

2. As of December 31, 1973, 72,712 persons were receiving benefits under the Public Service Superannuation Act. Of these 67,163 were receiving increases pursuant to the Supplementary Retirement Benefits Act.

GOVERNMENT'S AGGREGATE SUPPLY AND DEMAND FORECAST

Question No. 227—**Mr. Stevens:**

What is the forecast of the government of aggregate domestic supply and demand for funds in 1974 and 1975?

Hon. John N. Turner (Minister of Finance): The government's forecasts, such as those on the aggregate domestic supply and demand for funds in 1974 and 1975, are necessarily tentative, subject to regular revision as more information becomes available, and for internal purposes only.

CORPORATE BORROWINGS AWAY FROM BANKS TO LONG BOND MARKET

Question No. 228—**Mr. Stevens:**

Does the government foresee a major shift of corporate borrowing away from bank loans into the long bond market in 1974 and, if so, in what dollar amounts?

Order Paper Questions

Hon. John N. Turner (Minister of Finance): In 1973 corporations relied heavily on short-term bank credit to satisfy their needs largely for working capital purposes. This was indicative of the availability of bank credit and its cost relative to the securities markets. Corporations switch their short-term borrowings between banks and the securities markets for even small shifts in the relative costs of these funds. They can be expected to switch to the money market for example, if costs there fall below the cost of bank credit. Some such shifts have already Occurred in 1974. Future shifts will depend on the relative cost of funds. As far as the long-term bond markets are concerned, it is relevant to note first that corporations have accumulated large amounts of short-term liabilities and second that corporate fixed investment is expected to be large in 1974. Taking both of these factors into account it is likely that corporations will wish to match their assets and liabilities closely and they are therefore likely to borrow larger amounts from the long-term bond markets than in 1973. The dollar amounts involved depend on a number of factors which will only emerge as the year progresses.

GOVERNMENT FISCAL POLICY STANCE, 1974-75

Question No. 229—**Mr. Stevens:**

In the 1974-75 period, what fiscal policy stance should the total government sector in Canada adopt and what kind of balance of taxing, spending and borrowing will be most appropriate between the three levels of government?

Hon. John N. Turner (Minister of Finance): The considered response of the government to this question will be given in the budget address.

NUMBER OF IMMIGRATION COUNSELS AT TORONTO INTERNATIONAL AIRPORT

Question No. 239—**Mr. Hales:**

1. How many Immigration counsels operate at the International Airport, Toronto?

2. What are the qualifications of these counsels and how were they appointed?

3. (a) What are the fees charged by these counsels (b) are they paid in advance (c) are receipts issued?

4. How do they make contact with the incoming visitors?

5. How is the fee charged for these services established?

6. Who polices their activities?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Persons who act as counsel for individuals during proceedings under the Immigration Act and Regulations at the Toronto International Airport are in no way connected or associated with the Department of Manpower and Immigration. An individual who indicates a desire to be represented by counsel at such proceedings is directed to either his country's diplomatic representative or to the local office of the Ontario Legal Aid Plan. Private counsels therefore must rely for referrals on such organizations, members of the ethnic community or friends and relatives of the individuals involved. The Department of Manpower and Immigration has no knowledge of these counsels' business practices nor their relationships with their clients.

[Mr. Stevens.]

TREASURY BOARD—PUBLICITY EXPENDITURES

Question No. 265—**Mr. Nystrom:**

1. What were the amounts of money spent by the Treasury Board on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Hon. C. M. Drury (President of the Treasury Board): 1. 1972-73, $82,415; 1973-74, $109,621.

2.

Name and Address	Purpose	$	Amount paid $
1972–73			
Canadian Mailbag Marketing Ltd. Toronto, Ont.		4,000	
R. J. Louks, Ottawa, Ont.		9,600	
Mhun & Associés Ltée Économistes-Conseils Montreal, Que.	To assist in the Publishing of the booklet "How your Tax Dollar Is Spent."	1,088	14,688
1973–74			
Michel Billot Montreal, Que.	To advise and assist in revision of the French Language version of the Guide on Financial Administration.		2,100
R. J. Louks Ottawa, Ont.	To advise and assist in the drafting and editing of the booklet "How Your Tax Dollar Is Spent."		4,335
Gottschalk and Ash Ltd. Montreal, Quebec	To prepare a graphic design system in support of the Treasury Board Secretariat publications and communications with departments and the general public.		5,590

3. 1972-73, $67,727; 1973-74, $97,596. These amounts represent salaries and associated cost involved in the departmental information program for publications on the department and the economy, presentation of the estimates, response to oral and written inquiries, printing and distribution of policy statements and announcements, etc.

NUMBER OF PERSONS CONVICTED OF MURDER NOW SERVING TIME OR RELEASED FROM CANADIAN PRISONS

Question No. 320—**Mr. Paproski:**

1. How many persons convicted of (a) murder (b) capital murder (c) non-capital murder are now serving time in Canadian prisons?

2. How many persons convicted of (a) murder (b) capital murder (c) non-capital murder were released from Canadian prisons in 1973?

Hon. Warren Allmand (Solicitor General): 1. (a) 70; (b) 63; (c) 423.

2. (a) Four (includes two who died while still in penitentiary); (b) two; (c) 19.

BRITISH COLUMBIA LIP GRANTS, 1972

Question No. 328—**Mr. Reynolds:**

What were the British Columbia LIP figures for the past year (1972), by constituency?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): The total allocations, including summer extensions, to each British Columbia constituency in 1972-73 are as follows: Burnaby-Richmond-Delta, $334,210; Burnaby-Seymour, $358,685; Capilano, $834,767; Coast Chilcotin, $1,127,810; Comox-Alberni, $1,236,030; Esquimalt-Saanich, $472,698; Fraser Valley East, $927,471; Fraser Valley West, $774,872; Kamloops-Cariboo, $1,122,355; Kootenay West, $1,050,145; Nanaimo-Cowichan-The Islands, $833,347; New Westminster, $859,437; Okanagan Boundary, $1,053,795; Okanagan-Kootenay, $1,121,480; Prince George-Peace River, $1,199,-707; Skeena, $1,062,793; Surrey, $899,633; Vancouver Centre, $3,028,982; Vancouver East, $2,670,388; Vancouver Kingsway, $740,469; Vancouver Quadra, $895,290; Vancouver South, $339,324; Victoria, $999,660.

CANADIAN POSTAL CODE

Question No. 338—**Mr. Reynolds:**

For what reason is the Canadian Postal Code made out of a series of numbers and letters when the Postal Code used in the United States and other parts of the world is a straight, simple numbering system?

Hon. André Ouellet (Postmaster General): The Canadian postal code is designed to enable the post office to sort mail mechanically down to letter carrier walks. In order to achieve this without making use of nine or ten digits it is necessary to use letters, which of course have the effect of permitting more choices.

DEPORTATION OF INDIVIDUALS UNDER IMMIGRATION ACT, 1967 AS AMENDED

Question No. 356—**Mr. Rowland:**

1. Under the terms of the 1967 Immigration Act, Section 28(1) as amended November 6, 1972, has consideration been given to the effects of deportation upon the individual who comes to visit and, if so (a) in what way (b) with what results?

2. Are changes in immigration regulations being contemplated as a result of current problems?

3. Is consideration being given to requiring prospective visitors to Canada to obtain visitors visas before departure for Canada to avoid inconvenience on arrival and, if not, for what reason?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. The amendment to section 28(1) of the Immigration Regulations on November 6, 1972 has no effect on the temporary admission of bona fide tourists who come to Canada and leave at the end of their visit. This section of the Immigration Regulations is used for deportation purposes only in the case of persons who seek immigrant admission and are not in possession of a valid immigrant visa where one is required.

2. The regulation is working satisfactorily and no changes are being planned. All aspects of immigration policy and procedures are, however, under review by the Canadian Immigration and Population Study group.

3. The Department of Manpower and Immigration has no plans at the moment for altering the present non-immigrant visa requirements for visitors. However bona fide tourists who do not now require such visas to visit Canada can, if they wish, obtain such visas if they feel they would facilitate their travel plans.

CANADIAN PASSPORT—JACQUES LANCTOT

Question No. 469—**Mr. Dick:**

Does Jacques Lanctot who flew to Cuba on a government aircraft on December 3, 1970, following the release of James Cross have a Canadian passport and, if so (a) when was it issued (b) when does it expire?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Jacques Lanctot who flew to Cuba on a government aircraft on December 3, 1970 following the release of James Cross does not have a valid Canadian passport.

CANADIAN PASSPORT—SUZANNE LANCTOT

Question No. 470—**Mr. Dick:**

Does Suzanne Lanctot who flew to Cuba on a government aircraft on December 3, 1970, following the release of James Cross have a Canadian passport, and, if so (a) when was it issued (b) when does it expire?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Suzanne Lanctot who flew to Cuba on a government aircraft on December 3, 1970, following the release of James Cross does not have a valid Canadian passport.

CANADIAN PASSPORT—MARC CARBONNEAU

Question No. 471—**Mr. Dick:**

Does Marc Carbonneau who flew to Cuba on a government aircraft on December 3, 1970, following the release of James Cross have a Canadian passport and, if so (a) when was it issued (b) when does it expire?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Marc Carbonneau who flew to Cuba on a government aircraft on December 3, 1970, following the release of James Cross does not have a valid Canadian passport.

CANADIAN PASSPORT—YVES LANGLOIS

Question No. 472—**Mr. Dick:**

Does Yves Langlois who flew to Cuba on a government aircraft on December 3, 1970, following the release of James Cross have a Canadian passport and, if so (a) when was it issued (b) when does it expire?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yves Langlois, alias Pierre Seguin, who flew to Cuba on a government aircraft on December 3, 1970, following the release of James Cross does not have a valid Canadian passport.

Order Paper Questions

CANADIAN PASSPORT—JACQUES COSSETTE-TRUDEL

Question No. 473—**Mr. Dick:**

Does Jacques Cossette-Trudel who flew to Cuba on a government aircraft on December 3, 1970, following the release of James Cross have a Canadian passport and, if so (a) when was it issued (b) when does it expire?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Jacques Cossette-Trudel who flew to Cuba on a government aircraft on December 3, 1970 following the release of James Cross does not have a valid Canadian passport.

CANADIAN PASSPORT—LOUISE COSETTE-TRUDEL

Question No. 474—**Mr. Dick:**

Does Louise Cosette-Trudel who flew to Cuba on a government aircraft on December 3, 1970, following the release of James Cross have a Canadian passport and, if so (a) when was it issued (b) when does it expire?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Louis Cosette-Trudel who flew to Cuba on a government aircraft on December 3, 1970, following the release of James Cross, does not have a valid Canadian passport.

AIR CANADA PILOTS—HOURS AND DAYS WORKED, 1972

Question No. 488—**Mr. Schellenberger:**

1. What is the maximum number of hours per week which Air Canada pilots are permitted to (a) work (b) fly?

2. What was the total number of days worked by all Air Canada pilots in the calendar year 1972 and, of those days, how many were more than eight hours in length?

3. Have any complaints been received by Air Canada, the Department of Transport or the Canadian Transport Commission with respect to (a) pilot fatigue (b) the effect of time zone changes on pilots and crew?

4. Is the Department of Transport or Canadian Transport Commission in the process of, or planning to investigate, Air Canada flights with respect to (a) pilot fatigue (b) effect of time zone changes on pilots and crew?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The Management of Air Canada advises as follows: 1 and 2. As provided by the collective agreement, "75 hours of flying shall constitute the monthly maximum for all pilots". Each block holder (pilot) is required to have four separate time-off periods of not less than 48 consecutive hours or three separate periods of not less than 72 consecutive hours. While a pilot could be scheduled to be on duty for up to 14 hours, if he commences work between the hours of 2200 and 0500 this 14 hours is reduced to 11, and the 11 hours is further reduced by one hour for each landing in excess of five landings. It should be noted that Air Canada's flight and duty time limitations are more stringent than required by the Ministry of Transport, and, generally speaking, pilots receive considerably more time off than the minimum required by the airline itself.

3. As states publicly by the president of the Canadian Air Line Pilots Association, flight and duty time limitations and other matters of this nature have not occasioned any problems. Differences, if any, are resolved by CALPA and the airline with the objective always being maximum safety of the operation.

The Ministry of Transport and the Canadian Transport Commission advises as follows: 3. (a) No. (b) No.

4. (a) and (b). No, but the ministry is planning future studies of this problem, as it relates to the entire spectrum of Canadian Civil Aviation activities.

[Mr. Sharp.]

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

NUMBER OF PUBLIC SERVANTS IN DEPARTMENTS OF NATIONAL DEFENSE, EXTERNAL AFFAIRS, NATIONAL HEALTH AND WELFARE AND TRANSPORT

Question No. 181—**Mr. Forrestall:**

1. (a) How many civilian members of the Department of National Defence were there (b) how many were in each of the grades of Senior Executive Grade 1 and above, on March 31, 1973 (c) what were the salary ranges for each grade at that date?

2. On March 31, 1973, how many public servants were there in the departments of (a) External Affairs (b) National Health and Welfare (c) Transport?

3. On March 31, 1973, how many public servants in each of the departments were in the Senior Executive Grade 1 and above or equivalent, and what were the salary ranges for each grade on that date?

Return tabled.

MINISTER OF TRANSPORT'S MARINE TRANSPORTATION PROGRAM CAPITAL BUDGET UPDATE, DECEMBER 31, 1973

Question No. 203—**Mr. Forrestall:**

1. What specifically is the spending and building program for the next five years by type (operational capability) of vessels to be budgeted by the Ministry of Transport as found in the Ministry of Transport's Marine Transportation Program Capital Budget Update of December 31, 1973 for (a) operational use north of 60 degrees parallel (b) operational use south of 60 degrees parallel?

2. With reference to the answer to Question No. 2,335 of the First Session of the 29th Parliament, what reasons was the Budget Update of December 31, 1972, answered in the first session of the 29th Parliament on January 9, 1974?

3. What is the exact nature of the Ministry's Budget Update in terms of (a) accuracy of cost estimates (b) Treasury Board approval of funding indicated (c) Cabinet approval of funding indicated therein (d) other board parameters particularly the planning period involved?

Return tabled.

PUBLIC SERVICE SUPERANNUATION ACCOUNT—INTEREST RATE

Question No. 207—**Mr. Forrestall:**

1. What has been the size and interest rate earned by the Public Service Superannuation Account for each quarter since 1965?

2. For each quarter since 1965, what has been the amount involved and the interest earned on new investments under the account?

Return tabled.

FIRMS ELIGIBLE TO PROVIDE PROFESSIONAL SERVICES TO CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Question No. 224—**Mr. Stevens:**

1. What are the names and addresses of the firms on the current list of consulting firms eligible to provide professional services to the Canadian International Development Agency?

2. Since 1968 (a) what are the names and addresses of the firms that have been subtracted from the list (b) what are the names that have been added to the current list?

3. For each of the consulting firms (a) on the current CIDA list (b) subtracted from the current CIDA list, what is the total amount of money paid to each firm for services rendered to CIDA since 1968?

4. For each fiscal year 1968-69, 1969-70, 1970-71, 1971-72 and to date, what percentage of CIDA's expenditures on capital projects, either under way or proposed, is taken up by moneys paid for outside professional services broken down as to consultants, architects, engineers, contractors, lawyers, project managers and other professionals?

Return tabled.

TREASURY BOARD RESEARCH EXPENDITURES

Question No. 297—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Treasury Board on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

NUMBER OF APPLICANTS IN RECEIPT OF ASSISTANCE FROM NATIONAL RESEARCH COUNCIL AND CANADA COUNCIL

Question No. 349—**Mr. Clark (Rocky Mountain):**

1. In each of the past ten years, how many successful applicants for fellowships or other assistance from (a) the National Research Council (b) the Canada Council were landed immigrants at the time of their application?

2. (a) How many such applicants did not proceed to receipt of full status as Canadian citizens (b) what was the total dollar value of fellowships or other assistance, in the past ten years, to landed immigrants who did not proceed to full status as Canadian citizens?

Return tabled.

SUBSIDIES UNDER MOTOR VEHICLE MANUFACTURERS' REMISSION PROGRAM

Question No. 374—**Mr. Rodriguez:**

1. What were the names of corporations which received subsidies under the Motor Vehicle Manufacturers' Remission Program (MVM) in each of the fiscal years from the Program's inception to date and what were the amounts of money remitted in each case?

2. What were the names of corporations which received subsidies or remissions of taxes and duties on motor vehicle parts imported into Canada in each of the fiscal years from 1961-62 to 1973-74 to date and what were the amounts of money and the programs involved in each case?

Return tabled.

*MEMBERS OF ADVISORY GROUP ON EXECUTIVE COMPENSATION IN PUBLIC SERVICE

Question No. 375—**Mr. Orlikow:**

1. Who are the members of the Advisory Group on Executive Compensation in the Public Service dealing with salaries for senior public servants and what are the backgrounds and qualifications of each?

2. What staff assistance, if any, did the Committee have?

3. How many meetings did this Committee make before submitting its report to the government?

4. Did the Committee have prepared for it any comparative studies of the salaries paid to senior public servants and private industry?

5. Did the Committee have prepared for it any studies as to the salaries paid to senior executives in private industry and was such information provided to the government?

6. Were representations made to the Committee by the Management Committee of the Senior Public Service?

Return tabled.

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

ADEQUACY OF PRESENT NATIONAL POLICY—FORECASTING OF REQUIREMENTS FOR RAILWAY CARS AND OTHER EQUIPMENT

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Prime Minister, Mr. Speaker. Recognizing that we were told recently by the Minister of Transport that the country has no transportation policy, and in view of the fact that carloadings have declined by more than one per cent so far this year despite the expansion in the economy, I should like to ask the Prime Minister when the government first recognized that transportation policy is inadequate and that a completely new policy is needed, as indicated by the Minister of Transport?

Right Hon. P. E. Trudeau (Prime Minister): Very shortly after the last Transportation Act which was passed in 1967, I believe, questions were raised about it, and at every federal-provincial meeting I have attended since the western premiers have been asking that the question of policy be reopened and restudied. I have consistently answered them, as I now answer the Leader of the Opposition, by saying we are certainly prepared to re-examine the act if the provinces and ourselves arrive at better solutions than the ones embodied in the present act. Without going into too much detail, I would remind the House that back about 1969 the three prairie provinces agreed to embark on certain studies which would, in their view, prove that the act as it now stands should be reviewed.

Mr. Stanfield: Was the Minister of Transport stating the government's position when he said in the House that the country really has no transportation policy, that the policy adopted in the 1960s is not working, and that in his judgment we have no transportation policy?

Mr. Trudeau: Mr. Speaker, I do not believe, with respect, that the Leader of the Opposition is quoting the minister with a great degree of accuracy. The minister has

indicated that a lot is lacking in the policy and that he is prepared to correct it to that extent. But that is not to say there is no policy; that is to say that the policy is one which is not satisfactory to all parts of the country.

Mr. Stanfield: The Minister of Transport referred specifically to the unwillingness of the railways to order boxcars, for example. Can the Prime Minister tell the House what kind of forecasting the government receives, say six months or a year ahead, with regard to the supply of cars and other equipment to the railways in relation to anticipated requirements? Is there a monitoring system available to the government which indicates what the situation is likely to be six months or a year ahead, and would it not be fair to say that the government knew a year ago that there would be today the approximate degree of shortage of railway equipment that the country is actually suffering?

Mr. Trudeau: Mr. Speaker, the kind of question that I have been discussing with the Department of Transport is very much along the lines suggested by the Leader of the Opposition. There was an attempt to forecast not only a year ago but some years in advance the various quantities of goods which would be moved in Canada, the periodicity of these movements, and the quantity of boxcars which would be needed to ensure such movement. So forecasting is being attempted. I would not care to indicate that it is always accurate, but the statement of the Minister of Transport did not refer so much to the number of boxcars—and he indicated the government's past and present attempts to solve that problem—but to the question of the railways themselves not finding it profitable to move grain at certain frozen rates, the Crowsnest rates and so on. This is the nature of the difficulty, as the Leader of the Opposition knows.

Mr. Speaker: Order, please. There are so many members seeking supplementaries on this subject that perhaps we should try to complete the first round of questioning and have all the supplementaries after we have completed the first round. I will recognize the hon. member for Yorkton-Melville and then a representative of the third party, and then return to this subject matter.

* * *

● (1420)

FINANCE

CORPORATE TAX CUTS AND ACCELERATED DEPRECIATION—AMOUNT OF ALLEGED INCREMENT TO U.S. TREASURY—STIMULATION OF INVESTMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact the corporate tax cuts along with the two-year write-offs make our effective corporate tax rate lower than that of the United States, thus making for a transfer of funds from our country to the United States treasury, I should like to ask the minister whether he has calculated the total amount of funds or money that will go to the United States treasury from Canada this year as a result of Canada's corporate tax changes last year?

[Mr. Trudeau.]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman's preamble is inaccurate.

Mr. Nystrom: Mr. Speaker, I think the minister's reply is inaccurate. However, leaving it at that, I should like him to say whether he is basing the report he is to make to parliament soon solely on the results of the questionnaire he sent to corporations last fall or has he received some other objective inputs in respect of that report and, if so, would he indicate from what sources?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the report will be submitted and will stand on its own merits. Concurrently, I am, of course, constantly reviewing the tax picture in this country.

Mr. Nystrom: In view of the two-year write-off measure which was supposed to stimulate investment in new equipment and machinery, and also in view of the fact that investment in that area for manufacturing is only up by about 15 per cent this year compared with 20 per cent in the entire economy, and especially in light of the fact that corporate profits in manufacturing are up by 36 per cent, can the minister explain to the House whether or not these corporate tax write-offs have actually stimulated investment in new machinery and equipment?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the latest figures on business capital intentions published by the Department of Industry, Trade and Commerce show business capital investment intentions for 1974 over 1973 up about 24 per cent to 25 per cent, and in the manufacturing and processing field up about 46 per cent. Whether these figures will be realized will depend on whether the economy, operating at or close to capacity, will be able to wend its way through the shortages in material and equipment that already exist. I might also say to the hon. gentleman that since one of the prime purposes of the corporate tax cuts and so-called write-offs was to stimulate jobs, he ought to refer to the fact that in 1973 there were 111,000 new jobs in manufacturing, which was 8,000 more than in the six previous years put together.

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[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR ADDITIONAL FUNDS

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

In view of the fact that unemployment continues to ravage our society and the Canadian economy, that the Minister of Manpower and Immigration implemented a very valuable program, LIP, to create employment, and in view of the large number of promising projects that were presented but not accepted for lack of funds, can he tell the House whether he is willing to recommend that additional funds be made available to the Minister of Manpower and Immigration to enable him to accept a larger number of those projects which have been presented?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I agree with the hon. member that the statistics on unemployment are not satisfactory, but it must also be recognized that, in 1973, thanks to our economic performance, 430,000 new jobs were created in Canada. I am constantly in touch with my colleague. If it is deemed advisable, his budget can certainly be increased: this program is under constant overall revision.

Mr. Lambert (Bellechasse): Mr. Speaker, I agree with the minister's excellent reply concerning the creation of many new jobs. However, there is a point on which I am in disagreement with him and which is the subject matter of my supplementary question.

Are the hon. Minister of Finance, together with the President of the Treasury Board and his other colleagues in the cabinet, considering the possibility of granting immediately additional credits to further increase the number of 430,000 new jobs which he just mentioned?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, my colleagues the hon. Minister of Manpower and Immigration and the President of the Treasury Board, and myself have received once again the very serious and convincing representations made by the hon. member.

* * *

[*English*]

VETERANS LAND ACT

REQUEST FOR STATEMENT RESPECTING EXTENSION OF EXPIRY DEADLINE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact there are only five days before the phase-out of the Veterans Land Act, would the Prime Minister, in the absence of the Minister of Veterans Affairs, indicate whether a definitive statement will be made this week on the extension of the deadline?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I can give the hon. member the assurance that a decision will be announced this week. The Minister of Veterans Affairs has been delayed in transit to Ottawa. He will be here later today. Certainly in the course of the week he will be making an announcement.

Mr. Marshall: In view of the fact that a statement will be made, and I thank the Prime Minister for his disclosure, will the Prime Minister assure the House that the statement will contain an indication of changes in the legislation to ensure that the deadline will be extended in line with other factors that are consistent with extension?

Mr. Trudeau: Mr. Speaker, I cannot give that assurance at this time mainly for the reason the decision has not been finalized yet in cabinet.

Mr. Speaker: I believe the hon. member for Qu'Appelle-Moose Mountain had a supplementary to the previous question and should be recognized now for that purpose.

TRANSPORT

ALLEGED LOSS OF MONEY BY RAILWAYS IN MOVING WHEAT

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is supplementary to the question directed by the Leader of the Opposition to the Prime Minister. Am I right in assuming from the Prime Minister's answer that he accepts the view of the Minister of Transport that the railways are losing money by hauling Canadian wheat to export markets, based on information provided by the railways?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know if the minister said that or indeed if that is his position. I do know one of the difficulties the railways put forward is that with the frozen Crowsnest Pass rates they do not find it advantageous to move wheat. I cannot speak for them, of course, and I do not recall the minister having said that. I believe he is looking into the matter.

Mr. Hamilton (Qu'Appelle-Moose Mountain): In view of the fact the minister did say that in the House last week and in view of the fact the Prime Minister used the same expression today, is the Prime Minister aware that over the last 40 years there never has been a document on record whereby the railways have been able to prove they have lost money carrying wheat under the Crowsnest Pass rates?

Mr. Trudeau: Mr. Speaker, I do not have the expertise of the hon. member.

Some hon. Members: Hear, hear!

Mr. Trudeau: I would not be able to talk about a period of 40 years. I am aware of the hon. member's point and it is one that I have discussed with my colleagues. It is an allegation that has been often repeated. I think I was careful in my previous answer to say the minister had not indicated he had documentary proof of it, but this is indeed a matter that he is looking into at this time.

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ENERGY

PRICE OF CANADIAN CRUDE OIL AFTER MARCH 31

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. On March 19 the minister stated before the Standing Committee on Miscellaneous Estimates that the oil pricing proposal advocated by the federal government for the next quarter would be somewhere between $6 and $6.50 a barrel. Does the minister still hold to the view that after the freeze the price of crude will not rise higher than $6.50 a barrel for the next quarter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I do expect there will be an increase in price. The exact level to which it will go, as the hon. gentleman knows, is currently under active discussion with the provinces.

Oral Questions

STATEMENT BY MINISTER OF SUPPLY AND SERVICES RESPECTING EXPLOITATION OF ALBERTA TAR SANDS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Prime Minister. Can the Prime Minister advise the House whether the Minister of Supply and Services is flying a kite on behalf of the government in his speech in Calgary today in which he suggests immediate exploitation of the tar sands by building 20 plants at a cost of $1 billion apiece, a massive exploitation in order to get the oil out of the ground before the price comes down?

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is rather difficult to answer a question as to whether this is flying a kite. If the hon. member is asking whether that is a statement of government policy the answer is no, but if the hon. member is asking whether this is an idea which is being explored and looked at, certainly with my authorization, by the minister, the answer is yes. It is not government policy but it has not been rejected out of hand as something that would be unthinkable. It is something that would depend not only on the federal government but also on the provincial attitude.

Mr. Hellyer: Is it unthinkable to think that this minister in the cabinet shuffle which has been widely predicted will be moved—

Mr. Speaker: Order, please.

Mr. Hellyer: —in order to carry out—

Mr. Speaker: Order, please. May we have order, please. The hon. member for St. Catharines.

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ST. LAWRENCE SEAWAY

SUGGESTED ELIMINATION OF TOLLS AND DOCKAGE CHARGES

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, my question is for the Prime Minister. In view of—I will not say lack of a transportation policy because the Prime Minister rejects the statement—the transportation policy of the government which at the moment denies the shipment of grain to both the east and the west—I will deal with the east in a moment—and in view of the present strike of the Seafarers International Union, has the government any plans to reduce the tolls and dockage charges along the St. Lawrence Seaway so that the shipping companies can be more efficient and so as to help them pay for the increased wages to which the SIU will be entitled?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me that the question presumes a lot of things. As regards the SIU, the Minister of Labour is very much involved in attempting to ensure that a peaceful and just settlement will be reached. In so far as the rest of the question is concerned, it seems to be a representation on behalf of the shipping companies, and we will listen to the representation.

[Mr. Macdonald (Rosedale).]

Mr. Morgan: Does the government not think that the reduction of tolls and dockage charges along the St. Lawrence Seaway system and a general refinancing will help to deflate the inflationary cost of moving goods through that system?

Mr. Trudeau: Here, too, it seems to me to be a representation which embodies an opinion. It is certain that the lower we can keep the costs of all systems the better it will be for the consumer, but for the taxpayer the consequences would perhaps be very much adverse. So we are trying to keep these two things in balance.

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ENERGY

APPLICATION TO BUILD MACKENZIE VALLEY GAS PIPELINE—POSSIBILITY OF REFERENCE OF SUBJECT TO STANDING COMMITTEE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the widespread implications arising from the application to build the Mackenzie Valley gas pipeline, is it the government's intention to refer this matter to the Standing Committee on National Resources and Public Works in order that members of this House may familiarize themselves with all the factors that must be taken into consideration before a decision is made?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, this is a useful suggestion. One of the questions being raised is whether the House should consider the application before the facts are known or afterwards. Perhaps the hon. gentleman would prefer the former in terms of discussing the principles involved. I would be prepared to pursue that suggestion with the House leader.

Mr. Douglas: In view of the fact the National Energy Board reports not to parliament but to cabinet and the cabinet can implement by order in council any order of the board without reference to parliament, may I ask the minister what input parliament is to have prior to the making of a decision which is of such vital importance to the people of Canada?

Mr. Macdonald (Rosedale): Mr. Speaker, it has been the custom in the past for decisions of the National Energy Board to be referred to the cabinet before they are made public. This government intends to depart from that in the sense that certainly on major decisions of this kind reports would be made public before they receive final cabinet judgment. In particular, with regard to the application concerning the Mackenzie Valley pipeline it would be the government's intention to lay the report before the House before a cabinet decision has been taken on it.

Mr. Douglas: Would it be the government's intention to refer that report from the National Energy Board to the Standing Committee on National Resources and Public Works or will we be in the same position as we were with

the Columbia River Treaty which we were debating a year after it came into effect?

Mr. Macdonald (Rosedale): I would correct the hon. member with regard to the latter. He may recall that the Columbia River Treaty was fully considered by a committee of the House before it was ratified.

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GRAIN

MARKETING OF COARSE GRAINS—POSITION OF PRODUCERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is directed to the minister responsible for the Wheat Board. Since both the Wheat Board and the minister have already indicated that coarse grains will be removed from the operations of the Wheat Board, will he afford an opportunity to all producers to indicate whether they approve of this action, as was done in the case of the rapeseed plebiscite, or will he use coarse grain producers as a sort of comfort station for the cattlemen who find themselves in a difficult situation because of the recent price drop in the cattle market?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is quite wrong to suggest that coarse grains are being removed from the jurisdiction of the Wheat Board. Indeed, the bulk of wheat, barley and oats which have been produced in Canada will not in any way be affected by any change of policy dealing with domestic feed grains. Only a very small proportion of feed grain is involved. The question of how best to market that feed grain in Canada involves not only producers but buyers of that grain across the country, and any attempt to determine the wishes of producers and consumers would have to involve both sides of the question. As a result, we have consulted widely with farm organizations across the country in order to attempt to have their views on the right steps to take to produce equity of pricing in Canada.

Mr. Korchinski: May I ask the minister whether producers of coarse grains will be afforded the opportunity to pool their resources or will they be forced to sell on the open market as has been indicated heretofore?

Mr. Lang: The government, of course, has announced the final position it will take with regard to the future of feed grain marketing in Canada. The August 3 proposals indicated a certain flexibility in the way in which sellers, owners of grain on the prairies, would sell their grain to other people. Of course, if that option becomes government policy, producers will be able to pool together so as to dispose of their grain.

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AGRICULTURE

HOGS—STATEMENT BY MINISTER RESPECTING FARMERS' TAXES

Mr. C. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact the minister said in a speech he made to the hog producers the other day in Ontario that the reason the federal government has cut farm taxes is so farmers can keep the extra income they are earning today to invest in expanding production, will he tell us how the federal government has cut farm taxes so the farmers can keep the extra income they are earning today?

Mr. Speaker: Order, please. Perhaps the Chair should allow the minister to reply to the question but a question asked in those terms is, in my opinion, not in order. The hon. member is referring to a statement made outside the House, and it is a well-established procedure that a question should not be asked in those terms.

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MANPOWER

REASON FOR CUT IN AMOUNT ALLOCATED FOR FEDERAL JOBS FOR STUDENTS AND OTHER YOUNG PEOPLE

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is to the President of the Treasury Board and is based on information made available to Mr. Hugh Segal. I should like to ask him why officials of his department, in a memorandum dated February 6, ordered other government departments and agencies to cut back by $6 million federal jobs for students and other young Canadians this year?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, for the summer student employment program the total funds provided are less in the current year than in the previous year by reason of the happily improved student employment situation.

Some hon. Members: Oh, oh!

Mr. Drury: When a choice had to be made as to the distribution among the various programs, a tentative allotment was made as between OFY and the direct employment program. Later consideration indicated the desirability of allocating more resources to OFY and less to the direct student employment program, one of the reasons being that with limited funds the cost per job is less in OFY than it is in direct employment. The tentative allocation made last fall was changed in favour of OFY and resulted in lesser sums of money for direct employment.

● (1440)

Mr. Clark (Rocky Mountain): Would the minister tell the House why he and his department disguised the action he has just indicated by including in the estimates $6 million worth of items that he knew would not be spent in the way the estimates said they were going to be spent?

Mr. Drury: Mr. Speaker, if the hon. gentleman will examine the chronology of the preparation and printing of the main estimates, I think he will see that the decision to reallocate was subsequent to the printing of those estimates.

REQUEST FOR REFERENCE OF OPPORTUNITIES FOR YOUTH PROGRAM AND STUDENT EMPLOYMENT TO COMMITTEE

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I wish to direct this supplementary question to the Minister of Manpower and Immigration. In light of the evidence today that the minister has not been frank in indicating the amount by which jobs for young Canadians was cut back this year, and in light of the refusal to let parliament see the assessment of last year's OFY program, will the minister give an undertaking now to refer the whole question of OFY and student employment immediately to the Standing Committee on Broadcasting, Films and Assistance to the Arts, or some other standing committee, and to make all documents available for a full investigation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as already indicated by my colleague, the President of the Treasury Board, the very premise of the question is incorrect. Therefore I think the rest of the question falls on that.

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[*Translation*]

BILINGUALISM

IMPLEMENTATION OF RECOMMENDATIONS BY OFFICIAL LANGUAGE COMMISSIONER CONCERNING CANADIAN NATIONAL RAILWAYS

Mr. Eudore Allard (Rimouski): Mr. Speaker, the hon. Minister of Transport being absent from the House, I shall direct my question to the right hon. Prime Minister.

In view of the Annual Report recently published by the Commissioner of Official Languages, could the right hon. Prime Minister advise the House whether he is aware of the 22 recommendations of this report concerning the National Railways and, in the affirmative, whether he intends taking steps to favour the earliest possible application of these recommendations?

[*English*]

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Minister of Transport is taking Mr. Spicer's comments very seriously and he has the intention of seeing to it that the letter and, in particular, the spirit of the law are followed within the department and within Crown corporations.

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INCOME TAX

DEPARTMENTAL REQUIREMENTS RESPECTING PAYMENTS TO BABYSITTERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. Is it the policy of the Department of National Revenue to demand from taxpayers who are filing income tax returns a full list of babysitters who have been employed by them during the taxation year, together with the social insurance number of each babysitter employed and the amount paid to each person, and is this request included as part of the regular income tax form and, if not, is it being requested on a separate form?

Hon. Robert Stanbury (Minister of National Revenue): There is no such form, Mr. Speaker, but naturally if taxpayers are claiming such expenses they may be asked to produce proof of the expenditures.

Mr. Gleave: Is this information requested from the taxpayer before he or she files his or her return, and is any part of a rebate or refund due to him or her withheld until the information is provided, or is there a threat to withhold the refund until such information is provided?

Mr. Stanbury: Mr. Speaker, I am not aware of any request for such information before a return is filed. It is not usual to ask for such information when the return is initially assessed and a refund is issued. However, it is not unusual to ask for confirmation of any expense claim after the initial assessment.

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EXTERNAL AFFAIRS

DATE OF VISIT BY UNITED STATES SECRETARY OF STATE TO OTTAWA—SUGGESTED DISCUSSION OF GARRISON DAM PROJECT

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Since the United States Secretary of State intends to visit Ottawa some time in mid-April, can the minister inform the House of the exact date of Dr. Kissinger's visit, and whether the government in the discussions will give high priority to the Garrison Dam project and the possible effects it may have in Manitoba and parts of Saskatchewan?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the last word I had with Dr. Kissinger was to the effect that he would like to be here in the month of March. I think that is now very unlikely. We are trying to fix a date. It may be in April or May, but we are trying to fix a definite date so that arrangements can be made. Among the subjects to be discussed will be the Garrison Dam project. There will be many, Mr. Speaker, and that will be one of them.

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MANPOWER

CHARGES AGAINST DEPARTMENTAL OFFICIAL INVOLVING WORK PERMITS—REQUEST FOR COMPREHENSIVE INVESTIGATION

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. In view of the fact charges have been laid in Toronto against an official of the Department of Manpower and Immigration for offering work permits for a price, and in view of the fact the minister stated earlier this month that further charges would be laid involving civilians as well as consultants to his department, would the minister indicate whether a comprehensive investigation

of the operations of his department respecting visas and work permits has been undertaken and whether that investigation, if undertaken, has been completed?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, there is a constant monitoring and audit of the operations of all programs of my department, including immigration. I think that perhaps some of the charges laid recently are an indication of the fact that our closer scrutiny is developing an effective response. In each of these cases in which action has been initiated by my department, it has been based on certain allegations and on some evidence of prima facie wrongdoing. These cases have been turned over to the proper authorities and pursued vigorously. I do not believe that this indicates a requirement for a wide scale or widespread investigation of the nature suggested by the hon. member.

Mr. Epp: In view of the far-reaching implications of the charges and the doubts this entire situation casts on the operation of the department, would the minister indicate whether he is willing to make public the results of the investigation as it relates to his department so that the public's fears and doubts can be laid to rest?

Mr. Andras: Mr. Speaker, in each individual case that develops to the state where charges are laid it then, of course, becomes a matter of due process of law and I would be limited in making specific comments about them. I rather think that, where some evidence has shown up, action has been taken is in itself reassuring to the public that we are prepared to act when there is wrongdoing.

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[*Translation*]

TRADE

PROVINCIAL INPUT IN EXTERNAL NEGOTIATIONS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct my question to the Prime Minister.

In view of the repeated demands of the provinces, particularly Quebec, concerning their participation in the preparation of the federal policy in trade relations with the Common Market countries or other partners and in trade relations resulting from the GATT negotiations, is the Prime Minister prepared to create a national advisory committee enabling the provinces to communicate directly their views on these matters?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. member for Saint-Hyacinthe is making a suggestion the essential part of which is already included in the government's policy. If that is so, I thank the hon. member for his support. For more details, I am convinced that the Minister of Industry, Trade and Commerce will answer.

● (1450)

Mr. Wagner: I wish to ask a supplementary question, Mr. Speaker.

Could the Prime Minister tell the House whether the government has adopted a policy to establish a national advisory committee enabling the provinces, particularly Quebec, to take part directly in the development of the financial policy or other, as mentioned in my first question?

Mr. Trudeau: Yes, Mr. Speaker, if direct participation means expressing their views to us. The Minister of Industry, Trade and Commerce has already set up such a mechanism. If it means for the province of Quebec or the others to undertake international negotiations in our place, the answer is no, but I do not think that the Progressive Conservative party holds such a position either.

Mr. Wagner: Mr. Speaker, I wish to ask a question—

Mr. Speaker: I take leave to ask hon. members to limit the number of their supplementaries if possible, because we will soon come to the end of the oral question period. The hon. member for Saint-Hyacinthe may ask a supplementary question, after which I shall recognize the hon. member for Oshawa-Whitby.

Mr. Wagner: Mr. Speaker, in view of the comments he just made, would the right hon. Prime Minister be willing to show less paternalism, and to simply listen to the provinces' claims, thus enabling them to participate more actively in the drafting of a federal policy?

Mr. Trudeau: Mr. Speaker, for the third time I repeat that this is the present situation. Without mentioning any in particular, we have asked the provinces to let us know their views before going to the GATT meetings. We have nearly pleaded with them to quote us statistics and to express their views as this would permit us at the GATT meetings to represent a really Canadian point of view.

I do not know what more the hon. member wants except the surrendering of our jurisdiction. Once more, I do not think that this is his party's position, unless it is his very own.

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[*English*]

HOUSING

REASON FOR MOST SENIOR DEPARTMENTAL OFFICIAL BEING OUT OF COUNTRY—GOVERNMENT PROGRAMS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Given the problems that have emerged in varying forms in urban Canada in recent months, indeed, years, particularly with regard to housing, and focusing particularly on the debate that is to take place in the House today, can the minister explain to the House why the most senior official in his department has spent the last three weeks in Nairobi?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, he has not. The facts of the question are not right. If the hon. member is referring to the visit to the United Nations Environmental Program Directorate in Nairobi, the deputy minister of the department has been there negotiating Canada's contribution to the United

Nations Conference on Human Settlements, which is designed to solve many of the problems the hon. member referred to. Apparently the hon. member and his party ridicule the seeking of any such solutions.

Mr. Speaker: Order, please. I remind hon. members that there are only two or three minutes left in the question period.

Mr. Broadbent: Considering the fact that most parties in the House have rejected the announcement made by the minister a week or so ago outlining his program for research in this area, which I would have thought the government is not very likely to proceed with, can the minister, putting that aside, inform the House whether his department has decided to implement some program it has sitting around for getting housing to the people in the weeks and months ahead at prices they can afford?

Mr. Basford: Mr. Speaker, we will be debating this subject more fully this afternoon. With regard to the specific question, of course I cannot account for the errors of the hon. member. I never announced a research program. The particular $100 million program I announced is designed to put in place, beginning this year, solutions to the problems the hon. member is talking about. It is not in any way a research program.

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URBAN AFFAIRS

INQUIRY AS TO LEGISLATION ON RAILWAY RELOCATION

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, may I direct my question to the Minister of State for Urban Affairs. As in the last session on at least five occasions the government was asked about its impending plans for the introduction of railway relocation legislation, as the Speech from the Throne said that something would be done in that connection and, further, in view of the present uncertainty this question is causing right across Canada, including in my own areas of Chilliwack and Abbotsford, can the minister state today when the government will bring forward legislation to deal with this important matter?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I have met with the Mayor of Chilliwack and I know he has a great interest in railway relocation proposals in that community. My colleague, the Minister of Transport, and I hope to be able to make an announcement in this regard very shortly.

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PENITENTIARIES

SUGGESTED COMPENSATION FOR GUARDS SERIOUSLY INJURED BY INMATES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Solicitor General. It is non-controversial and has to do with the custodial officers in the penitentiaries of this country who, in the past couple of years, have been subjected to a variety of attacks, stabbing, shooting and the like. As a result two of them are at present in serious condition and their life expectancy has been greatly reduced. Will the minister give consideration to measures whereby these fine servants, the custodial officers, will, in the event that in the course of duty they suffer physical damage serious to their health and to their continuance in life, receive compensation in the form of a bulk sum by way of damages to be assessed in the regular way?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I agree with the right hon. member that this is a serious problem. I will take his suggestion under advisement.

Mr. Speaker: The Chair will recognize the hon. member for Yukon on a supplementary, then the hon. member for Peace River, and then call orders of the day.

SMUGGLING OF NARCOTICS INTO INSTITUTIONS—ONGOING INVESTIGATION

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a supplementary question to the Solicitor General. In order to arrive at the root causes of the disturbances which have brought about the results mentioned by the right hon. member for Prince Albert, is there any ongoing study in the minister's department dealing with the smuggling into institutions and the use therein by inmates of fairly large quantities of narcotics?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there has been an ongoing inquiry into methods by which drugs have been smuggled into institutions. We have discovered that certain methods were being used and we have taken steps to close off these sources. However, despite the action taken we find that drugs are still being smuggled in. We will continue to take action in this respect. We hope to cut this activity down as much as possible.

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TRANSPORT

NATIONAL POLICY—SUGGESTED USE OF HON. J. W. PICKERSGILL AS CONSULTANT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. In light of the sea of transportation problems in which this country is drowning, has the government given consideration to calling in as a consultant Hon. J. W. Pickersgill to deal with a new transportation policy and the legislation which the Prime Minister, the present Minister of Transport and others in the cabinet so loudly and enthusiastically supported in earlier days?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am rather surprised that, in retrospect, the hon. member has forgotten the hon. member for Trinity who was minister of transport for a period between those of the persons he mentioned. He is probably out trying to swim away from the hon. member for Peace River.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S. O. 58—SUGGESTED NEED FOR CONSIDERATION OF GOVERNMENT'S URBAN AFFAIRS POLICY

Mr. Eldon M. Woolliams (Calgary North) moved:

That this House do now consider the record, objectives and programs of the Ministry of State for Urban Affairs in light of the urgent needs of urban Canada.

He said: Mr. Speaker, the scope of the motion before the House covers the whole field of urban affairs. I shall deal as objectively as I can with the programs put forward by the Minister of State for Urban Affairs (Mr. Basford), who is responsible for housing in urban Canada. I intend this afternoon to zero in on this country's housing problems and the existing housing crisis in Canada. We intend to zero in on the program which the government announced on March 13 last. The minister announced with great fanfare that $100 million is to be provided for solving the housing problems of this country. That program is to be administered by the department. To many, it seems as if the minister is going on a power binge at the expense of the taxpayer.

I think the House is aware that two thirds of our people in Canada live in an urban environment, and that urban growth continues to accelerate rapidly. Wherever we go, whether it is Halifax, Montreal, Vancouver, Calgary, Edmonton or what have you, urban growth continues to accelerate rapidly. The responsibility of the federal government in this field has grown with the acceleration of populations in our cities.

● (1500)

I must say at the outset that this minister and this government have failed to appreciate the tremendous growth of the problem existing in urban affairs and the problem of housing for the people of Canada. They have failed to accept their federal responsibility. I say federal responsibility because it is within the constitutional powers of the federal government. Indeed, they have even failed to set up a department.

Before I get into the question of housing and zero in on this demonstration program, I wish to ask whether Urban Affairs is as important a department as the Department of Justice or the Department of Consumer Affairs, because the whole ball of wax of urban affairs affects the quality of life. We know how badly the Department of Transport is being operated. This government has failed to set up a real department of Urban Affairs. It has failed to make certain that Central Mortgage and Housing Corporation is responsible to the departmental minister.

At the outset, I talked about this power-hungry binge. I might call it the $54,000 program. I will say why, mathematically, I say that. This program is called the urban demonstration program. The way I see it mathematically, there are 365 days in a year. This program will be operating for five years at a cost of $100 million. Five years is equivalent to 1,825 days, so if you divide 1,825 into $100 million, it means that whether the minister is awake or asleep, this program will cost $54,794 per day for five years, yet not one house will be built for anyone in Canada as a result of that expenditure. In rough figures, the minister has agreed to spend $54,794 every day for five years on this innovation program which, I repeat, will not build one new house. May I label this program, the power bid of the minister, "The $54,000 per day plan for five years at the taxpayers expense". It is the most expensive 24 hours for fluff that has ever been designed. It is the greatest fraud ever perpetrated on the people of Canada seeking shelter.

Some hon. Members: Hear, hear!

An hon. Member: Get the facts.

Mr. Woolliams: My friend says, get the facts. I know he is good at mathematics. When he works it out, he will find the figures to be correct.

We have today a most serious housing crisis in Canada. I wish to quote from the March 16 edition of the Toronto *Star*. Perhaps these facts will impress the hon. member who likes to speak while remaining seated rather than on his feet. This article on the front page of the Toronto *Star* puts this program in the proper perspective. I quote:

Some home prices in Metro go up by $4 every hour

We know what the minister is spending every day on a program that will not do anything. Now, we know that the price of a house for average people in Canada is going up at the rate of $4 an hour. If that is not acceleration, we have never seen acceleration.

Before dealing with this program, I want to mention some of the things we should be doing. First, our party will support a broader and more reasonable interpretation of our national constitution. When we raise the question of the housing crisis in Canada, this government hides behind the constitution. To solve the national housing crisis, the federal government must move and become more involved with the provinces to expedite the development of serviced land at a reasonable cost. This is the key. It will also bring down the interest rate. Has this land banking program which the minister refers to with such affection solved the high cost of housing? Of course, it has not.

We shall create a new department of urban affairs and Central Mortgage and Housing Corporation will be made directly responsible to the minister and his department. We have said over and over again that we will repeal the 11 per cent sales tax on building materials to ease the cost of building supplies and inflationary pressures. This Liberal with a big "L" tax that was brought in by Walter Gordon must be repealed and repealed now. When we are the government, it will be repealed.

We will carefully examine the principle that a proportion of municipal residential property taxes and interest on home mortgages shall be deductible from a person's taxable income. In addition, we will see that comparable benefits are given to tenants. We will not set up a plan like the demonstration program that is going to cost the taxpayers $100 million. We will set up a planning secretariat of personnel from all levels of government, municipal, provincial and federal. One of the great problems is getting serviced land into operation. This involves the three levels of bureaucracy.

We will encourage lending institutions to put certain portions of money into housing at reasonable rates of interest. We will integrate economic programs that will bring down the rate of interest. Today, first mortgages across this land, including CMHC, range from 10½ to 11 per cent, and in many areas second mortgages are running as high as 21 per cent. I do not think anyone could do any better.

In my opening remarks, I mentioned the housing crisis. John Doig of the *Star* put it this way. He is only referring to one city. Relatively speaking, the same problem exists across this land. I quote:

> Housing industry sources say the average price of a new, detached house in the city and five boroughs last month was about $85,000. It was $25,000 only 10 years ago.

This government has been in office since 1968. An ordinary house for an ordinary person with an ordinary income cost $25,000 when the government took office; it now costs $85,000.

What is the government's plan? What are they doing? We had, first, a promise of great amendments to the National Housing Act which were to cure all evils and bring down the cost of housing. We were promised land-banking to cut the cost of serviced land. Land prices continue to rise in urban centres in Canada. We were promised a public and co-operative housing program to help the low income bracket people obtain shelter. Today, there are as many people seeking that kind of shelter as there were before the program was suggested in the House. We were promised a rehabilitation program for housing. I might say that our housing committee went to Montreal. That city has its own program of rehabilitating many premises for the average man. Where is the government's program?

In many cities today, less than 5 per cent of the wage earners can afford to buy a new home or a rehabilitated one. The vacancy rate is less than one per cent in Toronto. People will soon, if not now, have to place their names on a list to wait for an apartment because the same people cannot raise money for a down payment or pay the high rates of interest. When the vacancy rate is less than one per cent, what is the result? There are not only higher prices, but we will soon be in the same position as the U.S.S.R. where people place their names on waiting lists for shelter.

I will now come to grips with what I want to say. On March 13, 1974, we were promised a most novel program. We were promised a $100 million innovation planning program spread over five years, from 1975-76 to 1980-81. Let me review once again this Habitat 2000 Program. This makes one feel it will not be implemented until the year 2000, judging by the housing crisis across this country. On page 2 of the minister's statement of March 13, we find this:

> I believe, Mr. Speaker, that this 100 million dollar fund will be used to support urban projects in many critical areas.

● (1510)

He said we needed to develop innovative projects to show the effective working of new methods of house design and construction, to demonstrate the feasibility of a new, low-energy, urban system, to illustrate new ways of getting the utmost value from scarce and expensive natural resources by recycling for multiple use and applying new technology in many other critical areas such as improved public transportation and arrangements for finances, and the building and administration of new communities or renewed communities. This is what he said the program was about. This is called the innovative program. It will be concerned with new designs for houses, new types of house construction. There is to be another feasibility study concerned with low-cost energy directed to houses. They will study recycling, whatever that means—I do not know whether they intend to recycle the people, or recycle the houses or recycle a program which doesn't exist at all.

An hon. Member: How about recycling the Grits?

Mr. Woolliams: This program will not build a single house for anyone in the whole of Canada. If the minister wishes to deny it, let him stand up and say so when he speaks later today. The day the program was announced I labelled it, not an innovation program, but an inhalation program. I said, then, that any minister who had the nerve and lack of responsibility to announce a $100 million program to examine the causes of the national housing crisis must have been sniffing glue. I heard the hon. member for Oshawa-Whitby (Mr. Broadbent) speak this afternoon. He said the program announced involved wrong spending at the wrong time in the wrong manner. I could not agree with him more.

A number of reports on housing have already been made public, and I shall deal with that aspect. There was a report issued by the federal task force on housing headed by a minister in the previous government, a man who had been deputy prime minister. He went across the country and made an excellent study on housing. It came to grips with the problem. When it was presented to cabinet, the Prime Minister (Mr. Trudeau) threw it into the waste paper basket and denied the basis of the recommendations. I am happy that the minister concerned resigned from a government of that kind, because it shows that someone on the treasury benches had a sense of responsibility.

Some hon. Members: Hear, hear!

Mr. Woolliams: Do we need a new report? We have the Dennis report, known as the Basford hidden report—we cannot find out what it is. I could use tougher language but I will leave it to your imagination, Mr. Speaker. We have had study after study. I called CMHC today. I also called my research people. They said it would take days to find out how many studies had been conducted since 1968. Take a look at some of them.

There was the study on housing in Canada, Market Structure and Policy Performance, made in 1971 by the minister then responsible for housing. There was the task force on housing and urban development in January, 1969. There was the new National Housing Act Program for 1973. There was a federal-provincial study on housing in January, 1973. There were the deliberations of the annual conference of the Housing and Urban Development Association of Canada which took place in January, 1973. There was a mid-Canada Development Conference involv-

ing study groups, a CMHC study on housing statistics, the annual reports of the Central Mortgage and Housing Corporation, an interim report on a $200 million low-cost loan program for housing by a study group in May, 1971. There was a study group concerned with planning for mobile homes; a study carried out by the Canadian Council on Social Development entitled, "Housing and People", in the fall of 1973. There was a study undertaken by the architects of Canada for the government in July, 1973, paid for, like most of the others, out of taxpayers' money. And, of course, there was Habitat—the year 2000. Then there was the study on low income urban housing.

I could go on and on. I understand that the number of studies conducted in this area amount to hundreds. Yet the minister tells us he intends to spend another $100 million in the next five years on a spending binge in an effort to solve the housing crisis. I wish he would take the $100 million and do something about building shelters for those on fixed incomes who need them.

Some hon. Members: Hear, hear!

Mr. Woolliams: I have to ask this question, Mr. Speaker. We in the Opposition need to find out what the minister is doing. It is not easy, because he is very glib. He is a very charming minister. Why are we spending $100 million for a study? I will tell you, Mr. Speaker. The purpose is to impress the world at the meeting of the United Nations to be held in Vancouver in the minister's constituency. That is why. And do you know what we are going to tell them? We are going to say: Look at the housing mess in Canada! Please do not follow our program because we are making nothing but mistakes. Once the world sees this it will never follow the housing program which this government is following. We want to show the world why Canada's housing plan should not be followed. Do anything, but don't follow Canada. That is really what we shall be saying.

The government believes the mere fact it establishes task forces, study groups and secretariats solves the problem, but the cost of housing is still increasing, as I have said, at the rate of $4 an hour in Toronto and, relatively speaking, it will be increasing at $2 an hour somewhere else or a dollar and a half an hour somewhere else. Today, people are being burdened with debt for life. The shackles of high payments in respect of interest and principal are around their ankles. That is a situation which presently exists. Yet we are spending another $100 million to find out what the problem is. The disparity between the rich and the poor grows day by day. The heel of domestic inflation caused by the government continues to crush those on fixed incomes.

The minister reminds me of a story about a hungry donkey. He was going down the road, mile after mile, getting more and more hungry. Finally, in a desperate condition of starvation he saw on the right side of the road a pile of hay and he saw on the left side of the road a pile of hay. In his desperate condition he was struck with transfixation. He could go neither to the right, to the left, nor could he move forward. He died on the spot from starvation. That is exactly like the minister. He looks at the problem to the right. He looks at the problem to the left. And he looks at the problem ahead. But he does nothing. He is like the little donkey who dropped dead from starvation, even though there was a pile of hay on each side of the road.

Mr. Caccia: I like your stories but you should not call the minister a donkey.

Mr. Woolliams: I would not say it. I said he was a charmer. I know you enjoyed my story. I labelled this program the other day as a bunch of fluff. I was misquoted in *Hansard*; *Hansard* reported me as saying "a bunch of bluff". I make nothing of that. I did not say "bluff" but I will accept either word. The minister has been bluffing with a bunch of fluff. The minister convicted himself in his own statement on March 13 when he said he intended to manage the program and its funds so that "the impact of innovation will be as pervasive as possible". Then, later he said:

● (1520)

> Governments must press forward, Mr. Speaker, with immediate solutions employing proven methods . . . But we must also adopt strong measures to generate new approaches . . . improved technology and innovative solutions.

This minister is on a power binge at the taxpayers' expense in agreeing to spend $100 million over the next five years, a program which amounts to $54,794 each day over the next five years and does not build one house. According to the minister's own words on March 13, he is going to be in charge of this great program. He is going to see whether he can invent some new methods to solve the crisis which exists today, a crisis which has grown worse since 1968, and certainly worse since he has become minister. Mathematically, as I see this program, there are 365 days in a year, which means that over five years there are 1,825 days. Divide that figure into $100 million and the program amounts to $54,794 per day for five years. This program is not going to solve even one of the housing problems in Canada today.

Whether you label this program a spending binge on the part of the minister or not, it is going to cost the taxpayers of Canada $54,794 a day for the next five years and represents the failure of his own government. This must be the most expensive 24 hours ever. I do not know who created this program; perhaps it was the hon. member opposite who comes from Toronto. I am going to give him some facts and figures in a moment, and I have already cited some from his own riding. I want him to go to his constituents and to tell them that he is satisfied with this program, that he is satisfied with the fact that a house which 10 years ago cost $25,000 today costs $85,000. I want him to tell his constituents that when he is on the hustings during the next election campaign, which I hope will be pretty soon since Canada cannot afford any longer this sort of government.

Mr. Caccia: You are power-hungry.

Mr. Woolliams: Let me now continue in a more sombre tone and with less anger, Mr. Speaker, although you cannot help getting angry when confronted with a program like this. We believe in the principle that every Canadian should, as of right, be able to obtain and live in suitable, reasonable cost shelter with the amenities of

landscape. Surely, this should not present a problem in a country with as many resources and capable people as ours. Within the natural constraints of geography and necessary economic and social limitations, the aim of government policy should be to generate sufficient housing stock of various forms so that all Canadians may exercise their own freedom of choice as to the style and tenure of housing in which they live. Surely that is not too much to ask.

Several months ago I made a speech on housing, and I do not often receive the compliment of mentioned on the editorial page of the *Globe and Mail*. I suppose everybody likes to be paid a compliment, and I know my hon. friend opposite does. On June 13, 1973 this is what the *Globe and Mail* had to say about my speech in an editorial headed "Housing's roller coaster":

> Land is not the biggest villain in the rising costs of housing. Interest rates are. This is true even in the urban areas and their commuter satellites, where speculation has sent land prices skywards.
>
> Eldon Woolliams (PC, Calgary North) reduced it to simple figures for the Commons this week. An ordinary bungalow in many urban centres now costs $35,000—

Of course, Mr. Speaker, you cannot find one at that price any more; they have already gone up $10,000 since I made my speech.

> —or more, he said. If the buyer puts $10,000 down and carries a 40-year $25,000 mortgage, his total cost when the mortgage is paid off, depending upon the interest rate, would be: $75,000 at 6 per cent interest; $101,000 at 9 per cent; $110,000 at 10 per cent.

At that particular time I set out many other examples and illustrations. Who today can afford to save the down payment on a house, let alone make the payments of interest and principal that are piling up? If inflation continues—I think any Canadian can understand this, you do not have to be a high blown economist— and the cost of housing continues to rise, there will be the largest number of foreclosures in Canada that this country has ever seen, even outdoing the thirties. Surely, somebody in the department can come up with a better plan than wasting $100 million of the taxpayers' money.

Mr. John Gilbert (Broadview): Mr. Speaker, last week we had a public confession by the Minister of Transport (Mr. Marchand) that the national transportation policy was a mess. Today we should have the Minister of State for Urban Affairs (Mr. Basford) getting up and saying that the housing policies of the federal government are a hell of a mess. They are a tragedy, a disaster.

The motion now before the House asks us to consider the record, objectives and programs of the Ministry of State for Urban Affairs in light of the urgent needs of urban Canada. To put it mildly, the record is pitiful; the objectives are based—wrongly—on the profit oriented motive, with reliance on the private sector, and the programs have certainly been meagre. I charge the Minister of State for Urban Affairs with lack of leadership and assistance in solving Canada's number one problem, housing. For months we have seen housing costs, including cost of land, mortgage interest rates and building materials, reach their highest peak and, in fact, become the highest costing component in the cost of living index across this country.

[Mr. Woolliams.]

What has the Minister of State for Urban Affairs done, Mr. Speaker? He has done nothing. I looked at the Speech from the Throne but there was not one word about the housing problem in Canada. There was not one mention of bringing forth legislation to deal with the housing problem. All he has done has been to make a statement last week with regard to an urban demonstration program, spending, as my hon. friend from Calgary North (Mr. Woolliams) has said, $100 million over a period of five years.

Let me tell the House that this is only a retread of the special innovative program that the government set forth in 1971, the result of which, after an analysis conducted by an independent authority, proved that we were making smaller homes on smaller lots. That was the result of the program in 1971, and when I read the details of the urban demonstration program of 1974, I have the same feeling about it as I had about the other program. This reminds me of a constituent who owned one of these small homes on a small lot. He said to me: "You know, I am going to spend the rest of eternity in a small box and the federal government wants me to spend my days on earth in the same place". I felt that was so true.

All these measures are like giving a starving elephant a peanut. As I say, there is nothing in the Speech from the Throne to deal with the housing problem, and when I look at the speech from the throne delivered in the Ontario Legislature, I find the same thing—nothing. I know that Premier Davis has stated that there is no crisis in Ontario, yet we have a 23 per cent increase in the cost of housing in Ottawa and a 25 per cent increase in Toronto. At the same time, people in the lower income groups are expending half their gross incomes on housing.

When I read in the *Globe and Mail* this morning that the new minister of housing for Ontario, Sidney Handleman, said we must depend on the private sector, which is euphemistically called the developers, I had a sad heart and a sad feeling for the people of Ontario. In no time at all he will probably change his name from Handleman to "mishandleman" in regard to this housing problem.

● (1530)

Mr. Basford: You are reaching for that one.

Mr. Turner (Ottawa-Carleton): That's really Monday afternoon stuff.

Mr. Gilbert: We in the New Democratic Party want to set forth three new programs immediately in respect of the housing crisis in Canada. First, we should have a 6 per cent limit on all new mortgages for person of moderate and low income, with a direction to the financial institution to set aside a percentage of their investment portfolios to ensure an adequate flow of mortgage money. This would indicate the financial institutions had a sense of social responsibility instead of profit-hungry motive. We would also give tax credits to people now paying more than 6 per cent interest on the mortgages they have.

I did mention very briefly the impact of housing on the cost of living. Let me set forth for you the savings people would make if they paid no more than 6 per cent interest on their present mortgages. If we consider a mortgage of $35,000 over a 25-year term at the current rate of 10¼ per cent, the monthly payment works out at $316, and of that

$316 some $295 represents interest charges. If we were to freeze mortgages at the 6 per cent rate, the monthly payments on that same house would decrease from $316 to $223. In other words, the homeowner would be saving $93 a month, or $1,116 per year as a result of that NDP scheme.

When you consider the interest payment as a separate item from the total monthly payment, the figures are even more startling. At the 10¼ per cent interest rate the interest payment per month adds up to $295, and at the 6 per cent rate the interest payment per month would be only $175, so this would mean a saving of $120 x 12, or $1,440 to the person per year. This would have a tremendous impact on the heavy burden Canadians are carrying in respect of housing, more especially in respect of interest rates, and it would have an indirect effect on rents that are chargeable.

I can just hear the minister and some of his colleagues saying that we cannot afford to do this, that it would be improper or not right. Let me refer him to what has happened in the TransCanada Pipeline Company, that old friend of the government. It sent out a notice of its annual meeting and one of the items in the notice indicated that as of March 4, 1974 several officers of the company were indebted on account of loans in connection with the purchase of their residences. It then sets forth the names of three officers who have obtained mortgages, the highest of which was $20,000, the next $15,000 and the third $11,000. The interest chargeable on those loans was 7 per cent on one, 6½ per cent on another and 6 per cent on the third. I suggest that the old biblical saying that those who have shall get more applies to the TransCanada Pipeline Company, particularly when we see these senior officers of that company paying those low interest rates.

I might mention that we made an investigation of this particular item because we assumed they were first mortgages, but we found out that these were second mortgages at 6 per cent, 6½ per cent and 7 per cent.

An hon. Member: All $50,000 a year men.

Mr. Gilbert: Surely, the Minister of State for Urban Affairs has no right to say that we cannot afford 6 per cent mortgages across the board for all Canadians, and the minister would indicate a social responsibility to all Canadian if he adopted that line.

Moving from that suggestion of 6 per cent mortgages for all Canadians, we in the NDP say there should be a federal land banking program with an immediate target of acquiring at least 50,000 acres of serviced land which the federal government should develop. It should also lend financial assistance to municipal governments in order that they might acquire and service land for building purposes. I can hear the minister say that they have programs along these lines, but these programs have not worked because the federal government has not taken the initiative. It has relied on provincial governments to pick up the programs and implement them, but they have not done so.

I was rather surprised last week when Robert Nixon, the leader of the Ontario Liberal party, made an impassioned speech during the debate on the Speech from the Throne of the Ontario government, setting forth his alarm in respect of German, Swiss, U.S., Japanese and British investors investing in land and real estate in Ontario. He said the reason they had done this was that the 10 per cent mortgages and the capital gains law make investments very lucrative and attractive in Ontario. I hope the Ontario leader of the Liberal party has brought this to the attention of the Minister of State for Urban Affairs, and I hope that minister will not only listen to that Liberal, but will act. This present minister is not a man of action, but rather a man of words.

A policy of direct loans to municipalities was a recommendation set forth in the Dennis report. That report envisaged the need for municipalities to participate in the acquisition and servicing of land to protect land costs and values. I give the hon. member for Trinity (Mr. Hellyer) some marks for his insistence that federal moneys be directed to municipalities along this line, but I give him no marks for his past record with regard to lifting the ceiling on CMHC rates. I give him no marks in respect of cancelling out 25-year mortgages, allowing five-year mortgages on the rollback theory. As I said, I do give him a few marks in respect of direct loans to municipalities.

Mr. Hellyer: We would have had 50,000 units a year less without those two things, just keep that in mind.

Mr. Gilbert: When I think of the hon. member for Trinity and his zeal when rushing across this country to solve the housing problem, almost a religious zeal, and then when I see his performance, I am really sick at heart, to put it quite mildly, Mr. Speaker.

Let me move on to the third point, which I think is very important. We must take the profit out of housing for speculators by tax changes. I am not talking about the ordinary citizen who buys a home, re-sells it and makes a profit, because he is caught in the present bind of high prices. I am talking about the land developers and building corporations which have ripped-off the Canadian public to such a great degree. It is time, in fact it is past time, to stop them. When I read the philosophy set forth in the Hellyer task force report, that all Canadians are entitled to clean, warm shelter, and when I read the principles set forth by our party and by the Canadian Social Development Council, that every Canadian is entitled to decent housing at a reasonable cost, I ask myself what has gone wrong?

● (1540)

Here we have set forth a principle which should be the underpinning of a housing policy in Canada. It should be the social right of all Canadians to have decent housing in the same way they are entitled to Medicare and education. What has gone wrong, because the home prices have soared out of sight. When one thinks of the city of Toronto, the average cost of a house in Toronto as at February 1, 1974 was $46,210. This represents an increase of 50 per cent in a period of 23 months. Housing has become so expensive in Toronto that only 136 NHA loans for new housing were made in 1973 out of the nearly 40,000 new units built in metro Toronto last year. The average price of that NHA house was $36,218 and the purchaser had an average income of $15,293. Because of the $30,000 ceiling on an NHA loan the act, as an instrument of home ownership in Toronto, has become virtually inoperative. With average weekly earnings at less than $150 in Toronto

during 1973 the dream of home ownership is virtually impossible of realization.

I could give the same story with regard to similar prices and the similar impossibility of buying homes in all major cities across the country. In fact my colleague, the hon. member for Timiskaming (Mr. Peters) whose constituency is a fair distance from Toronto the other day told me the cost of an unserviced lot in his area is $6,000 and the cost of a serviced lot is $8,200. In my own area, a home which I could have purchased in 1962 for $26,000 sold less than a month ago for $83,000 cash. The seller went to the real estate agent to list the property and said he wanted $70,000 for it. The agent told him that he would get him more than that. The property was listed at $87,000 and sold for $83,000 cash. This is an indication of how prices have soared out of sight. It is also an indication that something must be done about it.

What would the New Democratic Party do? We would institute a 100 per cent capital gains tax in respect of people who are in the business of buying and selling real estate. In other words, we would skim off the windfall gains of the developers and building corporations. If necessary, we would impose an excess profits tax on land developers and building corporations. Third, we would implement the recommendation of the Dennis Report regarding land developers and building corporations. Back in 1971 when we had the tax reform proposals the government closed the loophole for individuals with regard to capital investment and said that no charges could be applied to this, but it did not close the loopholes with regard to corporations.

We have these land developers and building corporations charging tax deferrals, accelerated capital cost allowances, the cost of holding land which includes mortgage interest payments, municipal taxes and so forth. The result of all these tax advantages has been that companies like the Cadillac Development Corporation in Toronto had, between 1966 and 1971, earnings of $62,968,000 on which they paid taxes of $20,506. This almost reminds me of a comparison in respect of the taxes that a certain president nearby has paid in recent years. In this case, the amount is only $20,506 out of earnings of $62 million. Consolidated Building Corporation, also a Toronto-based firm, in July 1973 purchased 18 acres of land and 17 days later sold it at a profit of $1.5 million. This company, which prior to this was involved in extensive building of homes and development of commercial property, has now gone into the land development business. Their president said that this company is a public company in the business of making a profit. Mr. Speaker, that is not a reasonable profit; it is an unconscionable profit.

These are three areas in which the minister could act immediately with regard to the housing crisis in Canada. I hope he will call together the provincial ministers, in the same way the Prime Minister (Mr. Trudeau) has called together the provincial ministers with regard to the oil crisis, to consider the housing crisis, accept the federal responsibility and give federal leadership with regard to this important problem. I hope Canadians will not have a total lack of faith in this government, but at this stage they are certainly following that trend. Surely, the minister should assume his responsibility and see to it that he implements his philosophy and that of most Canadians that Canadians are entitled to decent housing at reasonable cost.

[Mr. Gilbert.]

Mr. Deputy Speaker: I hesitate to interrupt the hon. member but the time allotted to him has expired.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, first of all, I wish to thank the hon. member for Calgary North (Mr. Woolliams) for allowing such a debate today, since housing in Canada is a major problem.

This does not mean that there are no other problems. We are now undergoing a housing crisis as well as many other crises, namely as regards employment, unemployment, food and energy. The housing crisis is in addition to all the other crises which the government is trying to get us used to.

While listening to the speeches of the two previous speakers I noted that the housing problem exists practically throughout Canada. Few areas, cities, and municipalities are spared. Perhaps some of its causes have been unconsciously deliberate, but I note that in the province of Quebec, about ten years ago, a so-called quiet revolution began and a number of pretexts were invoked to prompt people to leave rural areas and bring them to live in the cities.

This is one of the causes of the many problems experienced in the medium and large cities. Today we must deal with those problems.

The hon. member for Calgary North asked for the elimination of the 11 per cent sales tax on building materials and an income tax rebate in mortgage interest on family homes. I would point out to the House and particularly to the hon. member for Calgary North that the Social Crediters have been demanding the elimination of the 11 per cent sales tax on building materials for a few years already, and my colleague from Portneuf (Mr. Godin) has brought still another motion before the House on this subject during this session. It is motion No. 2 which reads:

> That, in the opinion of this House, the government should consider the advisability of granting an income tax rebate equal to the amount paid in mortgage interest on a family home and in municipal and educational taxes, the whole not to exceed $1,000 per year.

That means, Mr. Speaker, that Progressive Conservative and New Democrat members are not the only ones asking for tax abatements for homeowners.

The Social Credit Party of Canada leads the way in that area. We have also been demanding for very long for interest rates on loans that owners would be able to afford.

Any family in need of housing realizes today that interest rates are too high, even under the Central Mortgage and Housing Corporation program. In some cases, the interest rate can be lowered to 8 per cent, but even that, Mr. Speaker, is too much for some people.

Just like everybody else, we realize that for several reasons, there is a housing shortage in every Canadian region. We have failed to get enough family units under construction, particularly where a high increase in demand was foreseen. For instance, a few years ago, an important development was announced in northern Abiti-

bi, that of the James Bay hydroelectric project. That meant that many northern cities would need a far greater number of houses.

● (1550)

In my opinion, home builders, developers and, to some extent, the Central Mortgage and Housing Corporation officials which has an office in Val d'Or, have done everything possible to meet the demand, but to no avail, because it was much greater than the supply. The demand is still very great, Mr. Speaker, so much so that many families are wondering whether they will find suitable housing not too far from their place of work. This is a lack of foresight. There has not been adequate planning to provide enough houses in order to meet the demand. Arrangements should have been made since the programs were advertised. There was a lack of foresight. Fewer houses will probably be needed when the work is completed. A very great number of houses will be available, but it will be too late.

I am also thinking about the program announced a few days ago by the Minister of State for Urban Affairs (Mr. Basford), a $100 million program referred to a while ago by the hon. member for Calgary North (Mr. Woolliams).

Mr. Speaker, within such a program, the minister wants new initiatives. I do not think that failed in the past, I even mentioned it when the minister made his statement in the House. There would no doubt be room for other projects, but we should take advantage of those that now exist. However, there are some problems. Certain housing promoters would like housing projects called "modular housing" to be approved. If people do not need a big house at the time they are buying one, they could start with a small one and add to it later on with the modular system according to their needs.

Now the cost price of these modular houses is in accordance, I believe, with the government low-cost housing program.

One can imagine how municipalities dread the building of modular houses or any other low-cost shelters. Municipalities have to contend with services, streets, sidewalks, sewers, water pipes at costs that increase as rapidly as in any other building field.

Those municipalities must also resort to loans, the rate of interests of which also increase and are increasingly hard to get.

Those municipalities prefer the building of houses that, for the same services, will yield much more in the municipal tax field. One can understand that a $25,000 or $30,000 house will be much more profitable to the municipality than a $15,000 or $20,000 one. And the municipality does not have to spend more for building streets where are the more valuable houses.

That is why municipalities dread the building of such low-cost houses.

There is also another risk in the development of these low-cost houses, namely the mass construction of slums. In almost all our towns and cities, we are at grips with decayed houses that are almost no longer livable, and in which families on welfare must live. If we try to lower the cost of construction of low-cost houses, we might build houses that within two or three years will look like the slums we want to replace at present.

I suggest, Mr. Speaker, that we should be careful when designing housing plans, because people want and are entitled to demand a livable house, with a minimum of comfort inside. The worse a house is built, the more difficult it is to heat it, and the less comfort there is inside.

Mr. Speaker, we must be careful, I suggest, as regards this kind of low-cost housing and provide the Canadian people with houses of an usual quality, that can be built.

I will quote one single example in this regard, Mr. Speaker. In the town of Amos, houses have been built many years ago under the so-called war time housing program. These houses had been built for low income families. In principle, these houses are still designed for low income families. But in the city of Amos, in particular,—and the same probably occurs elsewhere—one may find that families whose annual incomes exceed $12,000 and even $15,000 are living in these houses, while other working-class families, whose incomes are lower, sales clerks whose incomes are not very high, must pay a higher price to find suitable shelter while families with incomes of $12,000 or $15,000 can be allowed to live in these war time houses for $80 or $82 a month.

● (1600)

In my opinion, this situation should be reviewed. If we are to be fair, we must review this program that was designed for low income families, and continue to offer these benefits to low income families. Some go as far as suggesting, Mr. Speaker, that those houses built for low income families be made available to those with no income, that is those with no income other than social welfare allowances. I think those suggestions should be studied carefully by the minister so the required amendments to that program might be introduced to make housing available to those in need of them.

In his $100 million program the minister asks that new initiatives be taken. I think some have already been taken, and I wonder whether the minister is aware of some of the transformations now taking place in the province of Quebec. The same situation is probably developing along the same lines in other provinces. At least there is a movement going on now, and in the Abitibi area, the Témiscamingue area, northwestern Quebec in particular, some promoters are buying at low prices as many vacant lots as possible, divide those lots in five acre holdings and then put them up for sale. They do promotion work in the United States, in certain states, to offer those lots for sale to Americans. They also offer them to Canadians interested in buying those small lots called hobby farms. Even if today those lots are not located in towns or municipalities with the transportation and communication facilities of all sorts available today it is easy to live away from urban centres. Apparently up to now some retired or near-retirement Americans seem interested in those small land holdings. I think that initiative might have been thought in terms of Americans wanting to come and live in Canada during the nice season. I wonder if more foresight would not be called for. As was pointed out earlier by the hon. member from the NDP who spoke before me and who recognized that most lots made available for house build-

ing purposes were much too small I think it would be a way of extending the land, thus allowing families not only to build a home there but also to have a piece of land where to grow vegetables and flowers and space to breathe non polluted air in the summer.

Mr. Speaker, this is a step that the minister should consider and make his own. He should ask his officials to consider steps such as this one in order to find possible ways of relieving large cities, of decentralizing these living areas that are causing all kinds of problems, one of which being public transit, for instance, among a great many others.

Mr. Speaker, these are subjects that the minister should consider carefully. During these few minutes, I have been unable to give him all the information needed, but I know he can find it elsewhere to examine the feasibility of such projects all across Canada.

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, this motion put forward by the Conservative party on the objectives of the government's urban policy and housing policy provides us with a useful occasion to debate these issues. The hon. member for Calgary North (Mr. Woolliams), the official spokesman of the Conservative party, of course stated that the government's urban and housing objectives as outlined in the Speech from the Throne were inadequate. I had hoped that the Official Opposition would have been at least sufficiently interested in these issues to have their official spokesman participate in the throne speech debate, rather than remain silent.

Mr. Alexander: He did.

Mr. Basford: Not on housing; the Official Opposition did not have its official spokesman speak on housing and urban policy in that debate.

Mr. Alexander: We were waiting for today.

Mr. Basford: I am delighted at the reaction I am getting from hon. members opposite. Obviously, they now realize that this is a matter of such concern that they should have had their spokesman deal with it in that previous debate. But of course at that time they had not held their convention, and I presume that at the time they did not have any policy. Now, having had their convention they feel they have a policy. This is a change.

The last time we had a major debate on housing was when the National Housing Act was amended. Some 18 members of the Conservative party took part in that debate, and if one reads their speeches one will see they expressed 18 different Conservative policies.

My hon. friends opposite have put forward some suggestions. One is that the 11 per cent sales tax on building materials should be removed. Naturally, Mr. Speaker, we all like to remove taxes. There is no question about that. But one would have wished that the Conservative party had given this suggestion a little more thought, at least more than expressed in their policy position as put forward today. Obviously, the principal beneficiaries of the suggestion put forward by the hon. member for Calgary North would be the large industrial and commercial builders, the people who put up the huge office buildings and shopping centres.

[Mr. Laprise.]

Mr. Alexander: We are not talking about them.

Mr. Basford: The hon. member for Hamilton West (Mr. Alexander) says they are not talking about them. I have a copy of their policy right here. It says they are prepared for the challenge. Mr. Speaker, the Tories have prepared for the challenge by turning their backs on the twentieth century. There is no mention of this policy being restricted to housing. It is clearly stated that this will assist the developers of office buildings and shopping centres. It is the typical Tory policy of giving the greatest help to those who need it least.

To the extent that the Tories' suggestion would apply to residential construction, again the people benefiting the most would be those with the most expensive housing. That is their answer to the housing problem in Canada. Surely, the Conservatives could have suggested that the tax be removed from housing alone. Surely, we don't need to remove it from shopping centres. Surely, they could have developed a system under which rebates could be paid to those who need assistance most; but they, of course, look after their rich and wealthy friends.

• (1610)

This debate, as I say, allows us to review the government's urban objectives and housing policies. The objectives of my ministry can be explained very simply: they are to improve urban Canada for urban Canadians, to respond to urban problems and urban issues to the utmost of our ability. We are responding to them. This government's record in responding to the problems of urban Canada is outstanding. We are dealing with housing and, in co-operation with other governments, are tackling issues such as urban transportation. We are tackling the issue of housing in new and imaginative ways. We are taking action, and urging action by other governments and the private sector, to deal with housing issues.

The important element, as speaker after speaker in the House has made clear, in housing costs is the cost of land.

Mr. Alexander: Particularly serviced land.

Mr. Basford: Yes, particularly serviced land. I am glad for the assistance of the hon. member for Hamilton West. For many reasons, not the least of which is the financial burden of residential development in most municipalities, not enough serviced land has been coming onto the market. The objective of the federal land assembly program is to correct that, to bring more serviced land onto the market fast and to help bring supply and demand more closely into balance. This calls for large scale intervention by governments through the provisions of the newly amended National Housing Act, under which funds will be made available for the assembly of land. Hon. members opposite ridicule this program. When, about one year ago, we undertook to provide $100 million a year under a five-year program for land assembly purposes, they ridiculed us. Their official position, as I recall, was that they would provide $20 million.

Mr. Broadbent: Who are "they"?

Mr. Basford: The Conservatives. As a result of the response of other governments to this offer, we exceeded our target in 1973 and were able to commit $150 million for land assembly funds in 1973. We are continuing and will continue to make substantial commitments in this area.

In order to obtain the best effect or return from this investment, I have proposed to the provinces and municipalities a set of guidelines to govern the allocation of land assembly funds. I have urged that priority and funding should be given to those projects that promise quick starts, quick development, and that will put on the market serviced lots as quickly as possible. And, although we need in this country land banks for development in five, ten or fifteen years, we are encouraging land assembly projects which will provide, as I say, for quick starts and quick development. Those are the guidelines we have given to the provinces.

Second, I have proposed that a reasonable proportion of those public land assemblies so assembled should be designated for low and modest income housing. There has been wide acceptance of these principles and these guidelines are being effectively applied with regard to our loans and commitments to provinces and municipalities. The intention of these guidelines, of course, is not only to get land onto the market quickly but to make residential development more attractive to municipalities and to remove deterrents to the opening up of residential land.

The hon. member for Broadview (Mr. Gilbert) suggested that we should accept the recommendations of the Dennis report with regard to the involvement of municipalities. I have accepted them. I wish the hon. member knew more about housing policy. If he did, he would know that at the Peterborough tri-level meeting we made it clear that the federal government would support municipalities in land assembly project. Also, just before the new year we approved, in a matter of weeks, a $9 million loan for the city of Toronto for land assembly purposes, which can be carried out as soon as provincial consent is given. We approved at the same time a substantial loan for the city of Vancouver, to enable that city to move into the land assembly business. In a speech in Toronto this morning I repeated our eagerness and willingness to support municipalities in land assembly. Let there be no doubt: we are urging the municipalities to become involved and we have the funds with which to support them.

As with most of the housing issues, the speeding up of planned residential growth is not something which can be laid at the feet of the federal government or solved by the federal government alone. Obviously, such action involves provinces and municipalities. We are urging provinces and municipalities to take every possible step to cut through red tape and bureaucratic procedures which tend to drag out the process of land development and delay the bringing onto the market of serviced lots which are for sale.

Let me remind hon. members, while we are dealing with the question of how we should bring more serviced lots onto the market, that another tool for bringing more houses into production, that is, for the creation of new housing, and for bringing supply more nearly into line with demand is the long standing sewage treatment assistance program with which hon. members are familiar. During 1973 more money than ever before was made available by way of loans and forgiveness under that program. In addition, during this session of parliament I intend to introduce legislation which, as indicated in the Speech from the Throne, will provide assistance for trunk sewers for storm water, in cases where they are used to create new developments. This should assist municipalities in areas of new development and will help to bring more lots on stream. Storm sewers until now have not been included in the program and could be used both to increase the supply of serviced land and as an instrument for planned urban growth.

Third, as an additional means of bringing more land onto the market, we will be introducing very shortly legislation related to railroad relocation. Railroads, as you know, have influenced the patterns of Canadian cities and towns right across this country. One has only to know cities such as Vancouver, Montreal, Toronto, Winnipeg, as well as many other smaller centres, to appreciate the amount of railroad land to be found within our urban centres. Much of that land, because of changes in transportation systems, is underutilized at present. The railroad relocation proposals would mean that much of this vast acreage of railroad land can be brought back onto stream and used for development. Much of it, I hope, can be made available quickly for housing.

Finally, let me speak of another means of bringing more urban land onto the market. I refer hon. members to the neighbourhood improvement proposals and the repair and rehabilitation sections of the National Housing Act which are to come into effect in 1974. Under the leadership of the federal government, the housing act was amended and provided legislative and financial support for those who live in older areas of our cities. The act will be effective in improving those areas in which housing has been deteriorating and going out of inventory, so to speak. As a result of federal support and federal leadership we shall be able to preserve much of that housing as good housing. Most of it will be available for low or moderate income people. That way we shall preserve the use of that urban land for the people of Canada.

These are important measures, designed to get at the heart of the housing cost problem, namely, the cost of serviced lots on the market. They are designed to bring lots onto the market. They are important measures and ought to be used to the full. The government is doing everything it can to persuade provinces and municipalities to use the funds available in order to solve the housing problem and the problem with regard to price.

The next problem to be considered is the one of distribution, that is, who has access to housing and who can get into a house. Never before, Mr. Speaker, have there been so many social instruments available to help people on low and moderate incomes obtain housing. Never before in the history of this country has there been so much help available. One could go back a long way before finding programs, even such as the public housing program, which will match the ones I want to mention.

● (1620)

First, there is the approved assisted home ownership program by which the federal government will subsidize people on low income, not to live in public housing and not

to go into rent supplement programs, all of which are good programs, but to actually assist them to buy a house as an alternative to public rental. That program is being widely used across this country. Since the program became law, we have approved such loans to more than 8,000 Canadian families. These total almost $160 million for this program. Applications are continuing to come in at a very high rate which suggests that by the end of this year the benefits of this program can be extended to a total of 18,000 families.

People across the way talk of interest subsidies and the need to help the rich by subsidizing their interest. Surely, to the extent that we can apply public monies to interest subsidization, the most effective and efficient way of doing it is through the assisted home ownership program so that that interest subsidization in fact gets directly to those whose need is the greatest.

Second, Mr. Speaker, addressing this question of distribution, I want to refer to the support we are providing to non-profit and co-operative housing organizations. Traditionally in this country we have built housing either through the private sector in accordance with the profit motive or we have built government housing—constructed and owned by the government. It seems to me there is a place in this country for what, in housing circles, has become known as the third sector. Each of the non-profit and co-operative housing sections of the act are designed to give every possible support by way of start up funds, loans and 10 per cent grants to non-profit and co-operative housing organizations.

I was at a federal provincial conference this morning on non-profit and co-operative housing. I had planned to spend the day there. I had to cut short my attendance in order to listen to the hon. member for Calgary North (Mr. Woolliams).

Mr. Turner (Ottawa-Carleton): Was it worth it?

Mr. Basford: I will not reflect on whether it was worth it. The hon. member was gracious enough to describe me as charming, so I do not want to disillusion him.

Some hon. Members: Hear, hear!

Mr. Basford: What I said in Toronto this morning at that meeting of non-profit and co-operative housing groups was that in their efforts to build in this country, they have the complete support of the financial and legislative programs of the government of Canada and the minister responsible for housing. In 1974 we are substantially increasing our budget. Thanks to the Minister of Finance (Mr. Turner), there will be about $170 million in loans, and close to $20 million in capital grants, for new projects and co-operative housing projects throughout Canada.

I am amused at the way Conservative members are sort of ridiculing my remarks about non-profit and co-operative housing groups. Within the last week, the Conservative minister from Ontario made a very big fellow of himself by announcing $4 million in support for non-profit and co-operative housing. I very much welcomed that announcement. Members opposite really should not ridicule their Ontario colleague as they appear to be doing.

[Mr. Basford.]

Mr. Woolliams: Mr. Speaker, I rise on a point of order. We were not laughing at the program that is being implemented. We were merely smiling at the toothpaste system used by the minister. He just squeezes it out.

Mr. Basford: The hon. member should know something about squeezing things out.

Mr. Alexander: Let's keep it clean around here.

Mr. Basford: In addition to non-profit and co-operative loans and that program which has our complete support, we are continuing to fund, along with the provinces, our long standing program of public housing. In 1973, we committed to this program some $177 million. We are constantly improving the public housing program in both its physical and social aspects. It remains for many Canadian families the most suitable response to their particular housing need.

Hon. members opposite say that nothing has been done on this side. By way of conclusion, I just want to list where this government is exercising and has exercised real leadership in the urban affairs area and in housing policy. First, the support which I have just been mentioning for non-profit and co-operative groups is without precedent in this country. I am delighted to see that the provinces are following our leadership in support of non-profit and co-operative housing groups.

We are exercising leadership in the allocation of legislation and all budgets in public intervention in the land business by way of public federal-provincial or federal-municipal land assemblies. The provinces are following that leadership.

The Tory party speaks in its pamphlet about the need for better intergovernmental relationships. We are exercising leadership in the establishment in this country of new methods of tri-level consultative processes to assure that all governments in this country, federal, provincial and municipal, are going in the same direction and addressing the same problems in the same coherent and co-ordinated way.

We are and have been exercising leadership in getting municipal governments involved in land assembly and in the support of non-profit and co-operative groups. I refer these measures to the hon. member for Broadview who criticized us in this area. We have made it very clear that those amendments to the National Housing Act allowing federal support of municipally owned non-profit housing is in fact our policy.

This morning in Toronto I made it clear that we have approved in principle a loan to the city of Toronto. It is one of the first cities to get involved in the program of municipally-owned non-profit housing. We approved that loan in principle for a major rehabilitation project in downtown Toronto. I urged this morning, and I again urge, that the municipalities of this country with provincial approval get involved in municipally-owned non-profit housing corporations.

Some hon. Members: Hear, hear!

Mr. Basford: We are exercising leadership in convincing the provinces and municipalities of this country that

unbalanced and run-away urban growth is compounding the problems that face our cities and towns. We have got to pay attention how we manage growth and the rate of growth. We have got to concentrate on how we give health, strength and growth to smaller centres to take the pressures off the Montreals, Torontos and Vancouvers, how to support those smaller centres and how to go back into the core areas of our major cities to recycle and re-use them. The hon. member for Abitibi (Mr. Laprise) spoke of this very subject. We are hard at work learning in this country, taking leadership and showing how we, as a country, must manage growth if we are to solve our urban problems.

We are exercising leadership in the establishment in this country of policies of urban transportation and the development of a national urban transportation development agency. The Minister of Transport (Mr. Marchand), the Minister of Industry, Trade and Commerce (Mr. Gillespie) and I are currently consulting and negotiating with the provinces toward the establishment and introduction into this House of legislation for such an agency.

We are exercising leadership in putting before the country and this parliament meaningful policies for the first time to cause the relocation, re-use and recycling of underutilized railway land.

Through amendments to the National Housing Act, we have exercised leadership in going back into our older areas of our cities through the neighbourhood improvement, rehabilitation and repair provisions of the act and conserving the older areas of many of our cities. The provinces are following this leadership by developing programs of neighbourhood improvement and rehabilitation.

● (1630)

Next, we are exercising leadership in the area of native and rural housing. I am glad my statement the other day on the subject was welcomed by spokesmen representing native housing and Metis housing groups across Canada. I shall be consulting with the provincial governments to ensure that where necessary federal-provincial agreement is reached to enable the policies announced by me to come into effect and be operational in time for the 1974 construction season.

Finally—and I see my time is running short—I should like to comment on the remarks made by the hon. member for Calgary North and by the hon. member for Oshawa-Whitby (Mr. Broadbent) who the other day ridiculed my announcement of an urban demonstration project.

Mr. Alexander: Justly so.

Mr. Basford: I can only conclude that hon. members opposite are deliberately misrepresenting my statement. First, this is not a research project, and there was nothing in my statement about any research project. Neither is any such project planned. That is clear. Second, it is not a study. It is a proposal for putting in place improved solutions to urban problems. I am sorry, though in a way politically delighted, that hon. members opposite are so out of step with urban needs that they should be opposed to a proposal of this kind.

Mr. Woolliams: More toothpaste.

Mr. Basford: Well, in the course of his speech the hon. member ridiculed the proposal for recycling garbage. I have read statements of his in the press to the same effect. I can tell him that I hope to have in operation by the end of 1974 in the City of Toronto a demonstration project which will show how to recycle human waste within a building or small community. I am sure this program will prove to be economically feasible. The cost of servicing a lot runs at about $5,000. If we can develop a new way of servicing that lot, as I am confident we can, and cutting out even half of that servicing cost we shall be reducing the price of an urban lot by $2,500. Members opposite are obviously opposed to action of that kind. They are opposed to action which would reduce the price of a lot by $2,500.

What is even more puzzling to me is that the hon. member for Calgary North should ridicule his own party, because in that great statement from the Tory party called "Prepare for the Challenge" we find these words:

> There must be an examination of improved methods of refuse collection and disposal in our large metropolitan areas.

I would have hoped that the official Conservative Party spokesman would at least have read the policy statement of his own party before he rose to speak.

Mr. Woolliams: I happened to write it.

Mr. Basford: He and his supporters are opposed to using funds to develop new ways of transportation. At the same time, their policy statement "Prepare for the Challenge" states:

> The Conservative Party will give high priority to assigning federal financial assistance to the provinces and municipalities for the development and construction of pollution-free rapid transit systems.

Mr. Woolliams: Right on!

Mr. Basford: What, in Heaven's name, is the point of an urban development project if it is not to develop that kind of rapid transit system? Nevertheless, they ridicule it. The hon. member who spoke for the NDP ridiculed the suggestion. At the same time, one group from Thunder Bay, made up mainly of supporters of his party, wants to form a new kind of co-operative which will show us in real terms how to build cheaper housing. But the NDP is against this type of solution, against this type of demonstration.

Mr. Speaker, in moving about this country as minister responsible for urban affairs, I find there is real concern among Canadians who live in the urban areas as to the future of their cities and towns. They have in mind the cities of New York, Detroit, Chicago, Los Angeles, and they are fearful that, unless we are careful, the type of urban development those cities represent will appear in Canada and that we should be forced to accept the noise, the pollution, the crime and the urban decay we see elsewhere. Hon. members across the way appear not to recognize this concern. They are saying in effect that there is no need to seek new solutions, that with a budget running to billions a year we ought not to allocate $100 million to find real solutions to these problems.

What the Tories and the New Democrats are saying, really, is that they want more of the same—more urban noise, more urban pollution, more congestion. They are really saying: Keep on doing the same old things in the same old way. That is the traditional Tory position and it

really does not surprise me to hear them expressing it. I must admit, though, I am a little disappointed at the position taken by the NDP which likes to pretend that it is in the forefront of development.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Basford: The applicable word is "pretend", and must be "pretend".

Mr. Deputy Speaker: I am sorry to interrupt the minister, but the time allotted to him has expired.

Mr. Alexander: On behalf of the spokesman for our party, who made such a brilliant speech that the minister now has to refer to it constantly, as well as to our policy, may I say we are prepared to give the minister three or four minutes more, because he has not said much, anyway. If he would like to close his remarks, we would agree to his continuing.

Mr. Knowles (Winnipeg North Centre): So would we, Mr. Speaker. We hope the minister can say something more substantial if we give him, say, another three minutes.

Mr. Basford: I am grateful to the House for extending this courtesy to me. Anyway, I had almost completed my remarks, except for one further reference to the Conservative Party statement entitled "Prepare for the Challenge".

Mr. Turner (Ottawa-Carleton): A very hypothetical document.

Mr. Basford: It is not only hypothetical; the official spokesman over there does not appear to have read it. That statement is, really, a joke. They are preparing for the challenge faced by urban Canada by turning their backs on the Twentieth Century, by turning their backs on real solutions to urban problems. This is why their statement is wholly hypothetical. With that kind of attitude, I am sure they will never be prepared to put that policy into practice.

● (1640)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before I recognize the hon. member for Parry Sound-Muskoka (Mr. Darling) it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Public Service—Regional pay differentials—Request for action to correct; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Administration of Justice—Enforcement of maintenance orders issued by family courts—Recommendation of Law Reform Commission.

[Mr. Basford.]

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—SUGGESTED NEED FOR CONSIDERATION OF GOVERNMENT'S URBAN AFFAIRS POLICY

The House resumed consideration of the motion of Mr. Woolliams:

That this House do now consider the record, objectives and programs of the Ministry of State for Urban Affairs in light of the urgent needs of urban Canada.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege to take part in the debate on the opposition motion:

That this House do now consider the record, objectives and programs of the Ministry of State for Urban Affairs in light of the urgent needs of urban Canada.

I think we are all aware, Mr. Speaker, of the serious situation which exists in many of our larger cities in connection with the lack of adequate and proper housing. It may seem naive and presumptuous of me, representing a rural riding, to speak on the needs of urban Canada. Two-thirds of all Canadians now live in the cities, and urban growth continues to increase rapidly every day. Our party supports the principle that every Canadian should, as a right, be able to live in suitable accommodation at a reasonable cost.

The Minister of State for Urban Affairs (Mr. Basford) announced on Wednesday, March 13, his new $100 million urban demonstration program designed to find solutions to urban problems. This fund is to support urban projects in critical areas. He also stresses new methods of house design and house construction, and new ways of getting the top value from scarce and expensive natural resources. He also mentions improved public transportation. Let me emphasize, Mr. Speaker, that improved public transportation would certainly help housing problems, especially in our two largest cities, Toronto and Montreal. Faster and better train service would enable housing to be built in areas where land is available and not nearly as expensive. In Toronto now, as an example, developers do not bat an eye in asking $35,000 for a small lot.

In theory, and on paper, this program sounds excellent. However, the plan, with its $100 million expenditure over five years, will not build one additional house in Canada. The crying need at the present time and in the foreseeable future is for cheaper land, cheaper houses and, more important, cheaper mortgage money. I believe at the present time it is estimated that only four per cent of the people living in metropolitan Toronto will be able to afford to purchase a home, and only five per cent of the people living elsewhere.

I happen to be one of those rural members of parliament who advocate more housing in the rural parts of Canada to remove the pressure from the large cities. On previous occasions I have pointed out that many people now living in our larger cities, when they come to retirement age, would consider and appreciate moving to smaller towns or other rural areas if housing were available at moderate cost. This would provide existing housing for the many

people who work in the cities and, of course, wish to live there as well.

I am aware that there would have to be close co-operation between the municipal and provincial governments, as well as with the federal ministry of housing and urban development. I am well aware of the difficulty of getting available lots in many parts of rural Canada, especially in the province of Ontario, because of strict planning by-laws which make it next to impossible to have lots surveyed and severances approved on existing land within a reasonable period of time, if at all.

I have some doubts what this $100 million fund will accomplish. Governments in the past have had many studies made on housing, and this applies to provincial governments as well. The Dennis report on low income housing in Canada pointed out the many needs, and the Hellyer task force report on housing was also an important document. Provincial studies have been made. It all boils down to one thing: we need more and cheaper housing in all parts of Canada, not in the urban areas alone.

As for new ideas and innovations, we would all welcome some new inventions to enable houses to be built with materials other than bricks, mortar and lumber. Synthetic materials are now even more expensive, and therefore out of the question. I am wondering if some of the "brains trust" could come up with a house made out of—I will qualify it and say wind and water, and heated entirely by the sun. This may very well be possible in the future, but we are talking about housing needs today which must be met with material that is available today.

Despite the new and innovative ideas of architects, both young and old, in planning housing the cost keeps going up every day. I believe it is suggested that the cost of a house in Toronto is now increasing at the staggering rate of $4 an hour. Adding greatly to the cost of houses in many areas is the cost of municipal sewage systems. I appreciate the contributions that the federal government makes to encourage small municipalities to instal sewers, also the fact that the minister is broadening government assistance to include storm sewers and is increasing government grants. I certainly feel that in particular cases of need and high priority as far as pollution is concerned, grants should be as high as 90 per cent to enable the smaller municipalities to instal sewage systems. We know that certain provinces—Ontario, I think, is one of the leaders here—have taken advantage of this money. We are also aware that a certain province, the one to the east, has not taken advantage of the money. As a result it now has some serious pollution problems and should be forced to do something along this line.

One other priority which will greatly help increase the supply of housing is the extension of the Veterans Land Act to enable those veterans who still wish to build or purchase homes to be able to do so without any deadline. If this government expects to survive much longer, I emphasize that a statement to this effect must be made at once, and I suspect it will be made later this week. I am also hoping that the amount of available money for each veteran will be increased to at least $25,000 and that the size of the lots will be reduced to the size of ordinary building lots in cases where everything else is in order.

Our party, when we become the government, will create a new department of urban community and housing affairs which will be directly responsible for shelter. Central Mortgage and Housing will be made directly responsible to this new minister rather than continue as an independent corporation. We will also set up a planning secretariat, as mentioned by our speaker on housing, the hon. member for Calgary North (Mr. Woolliams). This secretariat will assist the officials of the three levels of government in formulating and putting into effect an imaginative and co-ordinated attack on our housing problems. With this co-operation we will be able to improve regional rapid transit systems, the location of airports, greenbelt park facilities and handle refuse collection in our large cities.

The minister mentioned that we were not interested in this sort of thing, but let me tell him that we certainly are. I am speaking for both sides of the House when I say that all hon. members are very worried and concerned about pollution. A lot of members from rural areas are a damned sight more worried than city members, because a lot of cities are trying to foist their pollution and garbage on those who live in rural areas of Canada. This garbage originated in the cities and should be disposed of there. I compliment the minister on his statement today that plants are being constructed to convert human waste so it can be used for some useful purpose. I guess he sent out an s.o.s. to that effect, to which we can say that "s.o.s." means "same old stuff". I would add another "o.s." and say "only softer". Let us hope something can be done to solve this problem.

A new and more flexible national building code must be developed, taking into consideration the regional differences and disparities. In other words, what is very necessary for the highly built up areas in large cities is not necessarily a must in the rural parts of Canada. Let me emphasize once again that our great problem has to do with the availability of money and the cost of housing. On many occasions I have recommended to the government that the 11 per cent federal sales tax on building materials should be abolished. I might add that previous speakers have made the same suggestion, and it has been made in parliament on numerous occasions. Let us hope that at some time in the near future this will become a reality.

● (1650)

The high cost of borrowing money represents one of the greatest stumbling blocks to new housing. We do not believe high interest rates are an effective way of containing inflation, and there must be lower borrowing costs for the purchasers of homes. We further pledge lower interest rates for all CMHC mortgages in line with the existing ceiling on direct loans now made by corporations to the provinces, municipalities and individuals. We also strongly support federal loans for repair, rehabilitation and improvement of existing housing. These loans should be made available to low income home owners wherever they are located in Canada.

As the head of a municipal council for a great many years, I presented resolutions on numerous occasions to municipal associations proposing that municipal property taxes be deductible from federal income tax for homeowners up to a maximum of $500. This certainly would be no

rip-off for the wealthy people. It seems unreasonable to me that a property owner should have to pay tax on tax.

There is also a great deal of merit in the suggestion that at least a portion of mortgage interest rates over 6 per cent should also be deductible from income tax. Our friends in the New Democratic Party have spoken at some length and with a great deal of feeling about the minister's proposed $100 million fund. I am just wondering how that junior partner of this coalition actually feels about this, and what that party will do when the chips are down. Certainly, if anyone has to accept the blame for what this government does or does not do, that junior partner in the lefthand corner of this House should accept at least a share. I will be interested to hear their comments in this regard at a later time. Am I to understand that they now agree with members of this party? I certainly look forward to hearing their comments.

I fully appreciate the time the minister has taken to read the coverage of that very successful and wonderful annual meeting held here in Ottawa last Monday and Tuesday. Unfortunately, he referred to policy papers, when in actual fact they were discussion papers for the 2,700 delegates who took time out in bad weather to attend this annual meeting. One can see the great support there is for this party from one end of the country to the other. I see that the Minister of Finance (Mr. Turner) is listening with intense interest.

An hon. Member: We are delighted to learn that this was not policy.

Mr. Darling: I was pleased to hear reference by the minister to the land which is available as a result of railway relocations in the cores of towns, villages and cities. I hope the Minister of Transport (Mr. Marchand) will be able to apply some pressure on these railway companies with regard to the disposition of those lands.

Let me refer to one case in a small village in my riding, that famous village of Callander. The railway has abandoned its right of way in this area. The land is a useless strip for which the railway has no more use, and I am sure it acquired that land in the 1800's, just prior to the turn of the century, for something less than the staggering amount now being asked. The municipality of North Himsworth tried to buy that piece of land at a nominal rate. It is a useless strip, but the company is asking $200,000. I suggest that is absolutely ridiculous. The municipality had to settle for two or three small strategic areas, and had to pay a substantial amount for those. The rest of the land is still lying there unused.

Until I took on the full-time job of member of parliament for Parry Sound-Muskoka I was a real estate broker. When talking with one of the property men of the CNR I made a bet of one steak dinner, and perhaps I will end up having to buy it. That individual said he could guarantee me that the company would get a minimum of $175,000 for that strip of useless land. I can certainly tell you that such a price is even more inflated than other land values in the area.

I can see or understand such high prices for abandoned railway property in the centre of a large city such as Toronto, because land in those urban centres is a very expensive commodity. I am sure the railways will be reimbursed on that basis, but surely this is not true of the hundreds of thousands of acres along railway rights-of-way in rural areas. I am certain that our friends to the left in the NDP will agree with us 100 per cent in that regard. When this land is made available, I hope it will be made available for public housing or to municipalities at a nominal rate. I am looking forward with great interest to what my friends in the NDP will have to say in this regard during the debate on this motion.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the federal government places top priority on its responsibilities to urban communities and urban Canadians. It is responding now and will continue to respond to the challenge created for all of us by the conflicting manifestations of urban growth with which we have to deal, and implicit in that response is the need to maintain and improve the quality of the urban environment in our large cities and in our smaller towns and communities.

This responsibility underlies the policy development, research and co-ordination activities of the Ministry of State for Urban Affairs, and the housing programs of the Central Mortgage and Housing Corporation. That is why last October, at the second national tri-level conference in Edmonton, the Minister of State for Urban Affairs (Mr. Basford) urged the provinces and municipalities to recognize the dangers to Canada of unbalanced, runaway urban growth. The minister suggested then that unbalanced urban growth, and the rate at which it is taking place, is one of the central issues facing all governments. At Edmonton all agreed with very little hesitation on the need for concerted action to respond effectively to urban growth. Implicit in that consensus was the need to respond to this growth in all its regional manifestations. The federal government intends to honour the commitment it made at Edmonton with speed and with effective policies and programs. The urban environment is of first priority for the federal government, and that priority is manifest in a decision taken by the federal Cabinet last summer.

In July, the Cabinet agreed to a proposal by the minister on a federal-regional goal which has two main objectives: First, to achieve a more balanced pattern of cities and towns throughout Canada with increased emphasis on support for improving small and medium size communities and for new communities where needed and, second, to improve the physical and social environment of larger urban centres, particular the core areas, or the inner city. That decision by the Cabinet last summer is one of the most fundamental that has been made by a Canadian cabinet in many years. It will take a few years for that decision to become visible, but in the long run it is going to mean a dramatic diminishing of growth in Montreal, Toronto and Vancouver with a parallel increase in growth in smaller centres right across Canada. What this decision means is that federal policies and programs will be massively redirected and reshaped over the coming years to make them more responsive to the needs of an urban nation. And it means that the federal government views "urban" in the broadest possible terms, not solely in terms of Toronto or Vancouver but in terms as well of the

smaller communities and their place in the Canadian economy.

● (1700)

This reshaping of policies and programs affects not just the policy development activities of the Ministry of State for Urban Affairs or the programs of Central Mortgage and Housing Corporation. The commitment made by the Cabinet implies an urban redirection to the policies and programs of many departments and agencies whose activities affect the lives and future of urban Canadians. It means, further, that increasingly the federal government will join with the provinces and their municipalities to effect beneficial changes in the evolving urban future. We are already making headway in many of these policy and program areas as the Minister of State for Urban Affairs has already indicated. The amended National Housing Act, for example, has a greatly expanded potential to aid smaller communities as well as the larger centres.

The Neighbourhood Improvement Program can and will be applied to helping smaller cities as well as large ones. The Assisted Home Ownership Program has a high degree of flexibility built into it and can provide positive support for smaller cities and towns. The sewage treatment legislation, which will be introduced shortly in the House, will aid small communities as well as the large centres. The problems encountered by small towns where, because of limited population, the cost of installing sewage systems puts a very high per capita burden on the individual taxpayer will be recognized. For these communities and for others, where, because of topography, sewage costs are unusually high, additional assistance will be provided to make the program as equitable as possible across the country. It will supplement similar assistance which the provinces may provide. It will not displace such necessary support.

The national transportation development corporation, which the Minister of State for Urban Affairs proposed on behalf of the federal government at the Edmonton tri-level conference, will provide a national response to meet the cumulative need for public transportation systems and components. Such a national agency will help marshall our resources to the task of meeting current and future urban transportation demands. The proposal for a national transportation development agency was made contingent on provincial interest. That interest has been thoroughly tested in consultations across the country and everywhere a high degree of interest has been shown. The federal initiative in launching this national transportation development corporation will pay off in a number of ways, Mr. Speaker.

First, the corporation will provide a means of responding in a collective way, an integrated way, to the transportation needs of urban communities. It means that we, and not foreign entrepreneurs, will develop the systems and equipment needed to solve our urban transportation problems and not just for the large centres but, equally, for small and medium-sized centres. Second, we will be enabling Canadian companies to meet the needs of our domestic and foreign markets. This will significantly increase job opportunities as we develop export market possibilities. Third, the corporation's activities will develop and spin off new technology which will be of advantage to other Canadian industries. Fourth, it will encourage the regional location of new transportation development and manufacturing establishments.

The domestic market for urban transportation is estimated at $5 billion to 1990. And the opportunity to develop export markets holds out an even greater economic potential. Total world demand for urban transportation system components, Mr. Speaker, are estimated at $500 billion to 1995. A strong, Canadian urban transportation capability, encouraged by this transportation development corporation, will be able to compete in that market and capture some of its benefits. Failure by the federal government to act when it did might have resulted in a degree of foreign control or influence over the development of urban transportation systems in Canada, a low level of domestic transportation development, a Canadian urban environment conditioned to foreign technology, greater regional disparity, increased importing of components and systems, and a loss of employment potential.

Mr. Speaker, the solution to our urban transportation problems will be solved in part by imaginative federal-provincial co-operation. As a result of an imaginative step by the federal government it will be solved in part by the close federal-provincial co-operation which the national urban transportation corporation envisages. This is important because we have found early on that urban problems require co-operation and consultation among governments, not competition. That accounts for the high degree of success which has accompanied the initiative of the Minister of State for Urban Affairs, in establishing tri-level action committees in a number of urban communities.

In February, 1973, a tri-level committee was established for the Halifax-Dartmouth area to review plans for regional development, to further regional co-operation and to attack pressing urban problems ranging from core development and transportation to housing and land use control. A tri-level action committee is operating in Quebec City. In Ontario, the first tri-level committee at the provincial level has been developed, while special ad hoc tri-level groups have been formed to deal with regional or local issues such as the federal waterfront park in Toronto and railway relocation at Sault Ste. Marie. Railway relocation and new methods of public transit and land assembly have been studied by the tri-level group functioning since June 1972 in Winnipeg. The Vancouver tri-level committee first met in March, 1973, bringing together the three levels of government to review plans for the proposed expansion of the Vancouver International airport and to discuss a wide range of urban issues related to growth on the lower mainland.

It is through continuing action like tri-level consultation, as well as through new initiatives, Mr. Speaker, that the federal government is responding, and will respond to urban problems and the needs of the urban environment. In respect of the railway relocation legislation which we hope will appear in the House soon, the minister at the Edmonton tri-level conference last autumn in a paper delivered there indicated some of the things we can expect in the legislation. Among other things, we can expect the use of funding in order to relocate railways which run across our towns and cities and to put the land freed from railway use to more optimum use from the point of view of

the municipality concerned and also—and this seems to be missed by most people who read about railway relocation—there is a potential for using this proposed legislation for upgrading existing rail lines for rapid transit purposes such as in an area like mine, a southshore constituency opposite Montreal, which is traversed by rail lines which long ago ceased to carry passenger traffic. This proposed legislation has the potential for putting to use tremendously expensive capital facilities which are not now serving the public of Canada as they should. This legislation we are looking forward to—and members generally are extremely interested in the legislation the minister talked about at the tri-level conference last autumn—along with the energy crisis, is one of the emerging urban issues, because energy shortages will have a profound effect on the urban environment.

It is hard for us to even imagine all the effects which a fuel shortage, and all the problems that follow, will have on the way we live in cities. What we are going to see, and what we are already seeing, is a re-thinking of many wishful thoughts we all had about the future, about technological progress, about how our cities are laid out, about how we travel within and outside our own hometowns, and about the dependence we North Americans have built around machines and cars and other fuel gobblers. And, parenthetically, this development, if no other, makes our federal initiative in proposing a national transportation development corporation all that much more important.

● (1710)

On this continent in the past century we have thought of resources as being unlimited and have lauded anything that increased consumption, production and development. The energy crisis has challenged that ethic as has virtually no other happening. The world does not possess infinite supplies of oil and gas. The world has only a certain number of coal deposits and uranium deposits. Some experts look at this process of rethinking as another gift of the Magi. They express a rather masochistic gratitude to the oil producing countries for forcing the world to it. Rising costs of fuel, whether based on political whim or real problems in finding sources, are making some previously economically unviable sources—in Canada the obvious example being the Athabasca oil sands—feasible prospects. But whether we pay more for the already available fossil fuels or for bringing into production known reserves, the fact is we will pay more to fuel our urban system.

How should we deal with these rising costs? First, we can manipulate supply, which is the traditional approach. We can continue to search out alternate sources of conventional energy sources, or we can begin to make wider use of alternate energy sources, such as nuclear power, solar power, and so on. Second, we can manipulate demand. That is, we can force policies of conservation of energy. We can learn to change our habits and our life style.

The phenomenon of oil shortages had a pocket book impact. So, naturally, we are reacting fast. We are involved in, we read about, we take heed of advice on saving oil, inspecting the installation in our homes, putting radial tires on our cars, and staying home on Sundays. These small acts may already be having an impact on the urban environment. Already, in the city of Ottawa, the

cost of gas has contributed to changes in traffic patterns and to increased use of public transit—moves that were long needed. I think the energy crisis was the final blow to many motorists and the best of all added attractions to public transit.

In the last week or two, the government announced certain measures which would help to contribute to a solution of these energy problems that are facing our cities. The minister has alluded to them at some length in his remarks. But I feel that this reference to the official reaction of the opposition bears repeating, and I intend to repeat it not only here but elsewhere. This $100 million program which was a program not for research or for studies as opposition members have tried to make the public believe but for $100 million worth of practical projects in cities, small and large, across Canada—proposes innovation, new methods of solving problems such as ways of recycling sewage and garbage, disposal of garbage so as to produce heat for either small towns or city cores, new modes of urban living, new attacks on public transportation problems, and this is what official spokesman of the Official Opposition said:

> . . . the government is setting up a bluff of $100 million. It is a joke.

This appeared at page 454 of *Hansard*.

Mr. Alexander: I support that statement.

Mr. Watson: It is to be expected that the Official Opposition would be opposed to innovation and new ideas. While that was to be expected, the amazing thing about that particular announcement was the reaction of the NDP. This is what the official spokesman of the NDP said:

> I suggest in all seriousness that all this program is going to mean is $100 million down the drain . . .

When these practical projects are put into effect across Canada, it will be a pleasure for me to remind some of the recipients of what the two major opposition parties in the house said about one of the most imaginative and innovative programs that this government has announced in a long time.

Mr. Alexander: Let us build houses now.

Mr. Watson: If we are going to set about conserving energy, we can have an immediate effect on the character of Canadian cities, and the principal change will be made in public transportation. In the United States, transportation consumes about one quarter of the total energy budget of the country. More than 95 per cent of that fuel comes from petroleum. Here in Canada, 44 per cent of all petroleum products used go into transportation, and one half of that in urban areas.

It is not too far out to predict that the energy crisis will change and accelerate that change in what the experts call "urban form". It will change what the city looks like and how it is laid out. The response to the fuel situation and the need to look at means of conserving fuel over the long term will take the form of innovative urban experiments with both technology and behaviour, hardware and software, if you like. This is part of what this $100 million program is all about. We already hear of experiments with district heating in which whole blocks of homes are heated by a central plant. We hear of the possibility of whole

cities with a thermostat—climate controlled environments. I do not know whether we can do that with the $100 million program. In any event, there will be a number of practical innovative projects that will benefit Canadians from coast to coast in this venture which the minister announced to opposition laments two weeks ago.

In Canada, money has been set aside by the federal government through CMHC for provincial and municipal assembly of land for new communities, the ideal locales for some of these experiments in energy conservation and recycling. I should like to speak for a moment on the question of land assembly and the federal programs designed to deal with that matter. Let me say that since 1954 the federal government has had on its books legislation which permits federal-provincial partnerships in the ownership of land for land banking purposes, 75 per cent federal, 25 per cent provincial. Since the early '60's we have had an additional option on our books which provides for 90 per cent of the money for the cost of land assembly to be lent to a province or municipality by the federal government. These provisions, which were taken up to some extent in the 1950's, such as the Malvern project which dates back to almost 1954, is a good example of what could have been done, the potential that was there. This must be one of the major tragedies of postwar Canada—the legislation and the money were there and yet the provinces, and Ontario in particular, did not take advantage of them.

When I hear the Conservative members from Ontario, and from the Toronto area in particular, talking about what is lacking in federal housing policies, I think that if ever there was a national scandal it was the deliberate decision by the Ontario Conservative government that it would leave to private developers the development of land around Toronto, with the result that we have in the Toronto area the highest land costs in North America. This is a direct result of the lack of usage by the Ontario provincial Conservative government of legislation which has been on the federal statute books since the early 1950's.

● (1720)

I am surprised that the Tory opposition would even dare to propose that a day be set aside for discussion of urban problems when their party has been so deficient, not only in advancing its own policy federally but as well in the principal province where the problem occurs, and where events have shown them to be so dramatically wrong. The solution lies in the public assembly of land around Toronto for new cities, something which is provided for in our legislation. It lies in land banks. Unless this is done in much greater measure than is the case now, then not only the population of Toronto but the population of Ontario as a whole, as well as the taxpayers of Canada, will suffer.

The Acting Speaker (Mr. Laniel): I regret to interrupt the parliamentary secretary but the time allotted to him has expired.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I am very pleased to have an opportunity to participate for a few moments in a debate on what I think is one of the most important questions facing governments at all levels, a question that has faced the federal government since it assumed office in 1963. This is a debate that concerns the actions, or really the lack of actions, attributed to the federal government since it first assumed office when there was time to undo, or at least to remedy some of the situations that any vigilant government—if you are to believe its own propaganda—ought to have seen developing. It is a matter of some profound regret to me, representing an area which is largely urban, that the situation in urban Canada has been allowed to deteriorate to the extent that even this government, which as a result of its dinosaur attitude faces extinction, finally decided in 1973 that there was a problem and something ought to be done about it.

We have just had an interesting two or three weeks in this House. Last week we had the Minister of Agriculture (Mr. Whelan) say that the farmer was in a bind. We had the Minister of Transport (Mr. Marchand) make his public confession of failure. We had the Minister of Communications (Mr. Pelletier) indicate that the government has wasted millions of dollars on a computer program that is just about as unco-ordinated as the government's housing program. The Minister of the Environment (Mr. Davis) has done nothing but issue press releases about the programs which he intends to institute at some future time. Each time the cost of living index comes out the focus is turned on the failures of the Minister of Finance (Mr. Turner). Now we have the Minister of State for Urban Affairs (Mr. Basford), who deals with something that is just as fundamental to the development and well being of our citizens as food, and we have his record and his litany of failure with respect to housing.

It is easy to make partisan comments about the question of housing, but we have to remember the parameters within which this debate is taking place. Housing for Canadians, indeed housing for all people is a primary social, economic and physical need. It is unfortunate that we have to say these things but in Canada that need in terms of government, indeed in terms of governments in the plural sense, has been a matter of secondary consideration, at least until the federal government had its deathbed conversion in 1973. There is in fact a persistent shortage of housing across Canada in terms of the available number of units, and the shortage is growing. There is a tremendous shortage in terms of choice of housing for Canadians.

It is fair to say that sophisticated studies are not necessary to learn that there are still thousands and thousands of Canadians who are ill housed, and this includes the native peoples. It also includes the people in our cities, people in our towns, and some people in rural areas. It is axiomatic that if the government is entitled to credit for its achievements, if there are achievements, then it is also entitled to and should be condemned for its failures, and in respect of housing its policy over the years has been a monument to failure.

A few days ago the minister launched another study. His parliamentary secretary has taken great pains to say that it is not a study.

Mr. Watson: There is not one mention of study in it.

Mr. Baker: I quote now from *Hansard* at page 453 where the minister said on March 13:

> This demonstration program is designed to foster projects that will find solutions to urban problems and demonstrate those solutions for adoption and implementation in all regions of Canada.

Mr. Watson: Not one word about study.

Mr. Baker: The difference between this study and the conventional study is that in the conventional study the result comes out on a piece of paper, having been written by those who make the study, but in this particular study program the result will be in bricks and mortar, perhaps on an experimental basis, and perhaps with mistakes. If you read the minister's statement you see it is a study leading to an event that culminates in a structure in the minister's riding called Habitat 2000. A rose by any other name is still a rose. This is a study.

It was roundly condemned by the hon. member for Calgary North (Mr. Woolliams) and by the hon. member for Oshawa-Whitby (Mr. Broadbent). Normally, I do not agree with the hon. member for Oshawa-Whitby but I must concede that his description of it was correct. He stated, as recorded at page 454 of *Hansard*:

> The minister said he wants this conference to be known as Habitat 2000. I suggest in all seriousness that all this program is going to mean is $100 million down the drain, of no help to people in meeting housing requirements in Canada.

That is a fairly true, fairly sound assessment of this program in the first instance. If I needed any reinforcement as to the soundness of that assessment and the truth of that assessment, it was to be found in the reaction by the parliamentary secretary to the minister a few seconds ago, he being thrust into this debate to defend the indefensible.

A little further on the hon. member for Oshawa-Whitby stated:

> —most of the studies that have been done have led to total inaction.

He was commenting on studies done by the department of Urban Affairs. There have been hundreds of studies undertaken by the government. Now, we have a housing situation which is supposed to respond to the clarion call given by the minister a few minutes ago. He talked about support for municipal projects, and for non-profit and co-operative groups. Why did he wait until 1973 suddenly to think of that? Does he give any forecast as to the extent of this program, how it is going to be received, and the number of units that are planned for development under it?

The minister talked about leadership in legislation and an increase in budgets. Has he indicated to the country the effects of inflation on the efficacy of those budgets? He talked about better intergovernmental relationships, and said the government was providing leadership in that field. But what do we have in this region, Mr. Speaker, close to the area which I represent? We will have them developing the so-called southeast city, the city which would be established in the township of Gloucester according to the election promise in 1972. That idea put forward by the minister and the department is not acceptable to the regional municipality of Ottawa-Carleton or to the township of Gloucester. The very purpose of the concept is questionable. If that is an example of this government's leadership in intergovernmental affairs, I say it is a fraud.

• (1730)

The minister has provided no leadership with respect to housing. Lacking forecasts—yet being abundant with words, the minister has perpetrated a fraud on the Canadian people. Canadians have looked to the government for housing in this country. I will never forget my conversation with a young couple in an apartment building which was never meant to accommodate young families with children. In my election campaign I discovered that many people like them lived in such high-rise apartments. I will never forget what that young person said to me in Parkwood Hills. He said, "Mr. Baker, I am imprisoned in this place." He wanted to get out. He was saving money. Because the government failed to act in the field of housing, and because what it did made his dollar less valuable, he could not afford a house and found himself imprisoned. Some, of course, want to live in a high-rise and I respect their choice. But what of those who do not? What are they to do as the choices become ever more limited for more and more people? That this should be so stands as a monument to the failure of this government.

Mr. Basford: Apparently the hon. member opposes giving them a choice.

Mr. Baker: Not at all. I want them to have a choice. In his speech on this motion the minister tried to defend the policies of this government. I want him to remember the young man of whom I spoke. Oh, yes, there are task forces, studies, commissions, and so on. But they will not solve the housing needs of that person. They will not answer the housing needs of the native people of this country. They will not answer the difficulties of people on lower incomes who want houses. They will not meet the needs of our senior citizens.

The time for words such as those the minister spoke this afternoon has long passed. For ten years this problem has been growing. The government has been warned, but has done nothing. For that it stands condemned. The problem has been apparent for all to see: there is the rub. I emphasize in the strongest way I can that the government ought to be roundly condemned for perpetrating against Canadians what I can only charitably characterize as a fraud.

The government has embarked upon another $100 million study or demonstration program. Let me put some figures on the record with respect to the national capital area, the area touted by the minister as a model for communities in Canada, not merely in terms of bricks and mortar but, I hope, in terms of quality of life as well as availability and choice of housing.

It is interesting to note that the average price of housing sold in Ontario rose by 26 per cent between 1970 and 1973. The price of the average Ottawa house lot rose from $5,000 in 1965 to $12,500 in 1972. The price of the average house and lot went up from $25,100 to $39,000 in the same period. The Ottawa Housing Authority, which has been involved in low-rent and limited dividend housing since 1962, has been running into increasing difficulties in every area of its operations in this period. The waiting lists for families

and senior citizens' accommodation have grown to appalling proportions.

As of December 31, 1973, 2,089 senior citizens and 1,541 families were on the Ottawa Housing Authority waiting lists. Under construction at that time were 1,643 senior citizens' units and 380 family units. With the need growing, that construction does not even begin to keep up with requirements. Without doubt, the lack of serviced lots is driving up the price of house lots and is a factor in housing costs. There is also no doubt that the situation is becoming more serious. Current housing programs at the federal and provincial levels are not integrated. If the government assures us that it is showing leadership in the field of housing, then the blame for its failure to integrate housing programs must be laid at its doorstep.

Members of the NDP sometimes suggest that reducing the mortgage interest rates would provide the answer and would make available more houses for the people of Canada. The hon. member for Broadview (Mr. Gilbert) suggested something like this in his remarks this afternoon. With all respect, I do not think his position is correct. House prices have been forced upward primarily as a result of demand. If interest rates were lower, demand would not decrease, neither would price. I suggest that price would actually continue to increase. At first blush, it might appear that the hon. member is right; however, having given the matter much thought I do not think the NDP suggestion would reach the root of the problem, which is how to satisfy demand. Surely leadership in this field must come from the federal government, which must co-operate with provincial governments in solving the existing housing crisis. We require more co-operation.

What is the government doing? Every now and then we hear of a housing conference between federal and provincial governments. In his speech the minister said he had spoken in Toronto earlier today. He meant to imply, no doubt, that he had delivered one of his epistles inscribed on tablets of stone. I suspect the conference was improved once he left it because the question could then be discussed realistically with those in the field. There is no ongoing consultation between the federal and provincial governments. Such consultation is so necessary if we are to meet the housing needs of this country.

The minister talked about the federal home ownership assistance plan. On paper it is a good plan and the idea is good on paper. The trouble is this: it is not working effectively, particularly in the large metropolitan areas where assisted home ownership is needed. CMHC mortgage loans under this program are not forthcoming in most cities. This is the result, primarily, of the distortion in house prices. That is unfortunate as this is basically a good plan.

For example, in Chicoutimi, where the average home sells for $22,000, 204 loans were approved by the end of 1973. In Toronto, on the other hand, where the average house price is $45,000, only 27 loans were approved in the same period. In Ottawa, 40 loans were approved for the eastern Ontario region, but only 20 of those were for metropolitan Ottawa. Montreal is the exception in Canada. Housing costs there are not so high. In that city, 1,927 loans were made. The difficulty is this: in those areas where the home ownership assistance plan is important and needed, the plan is not working. The minister should face this.

● (1740)

I think the real monument, or perhaps tombstone of the minister is what has happened to the consumer price index with regard to housing. In October, 1972, it stood at 145.3; in February, 1974, it stood at 159.4—an increase of 9.7 per cent. That is higher than the over-all index for all commodities and services in Canada. The figures are devastating. In St. John's, for example, there has been an increase of 8.6 per cent. That area suffers from unemployment as well. In Ottawa there has been a 7.3 per cent increase in that period of time. In Vancouver the increase has been 6.3 per cent, and in Halifax 8.7 per cent.

Those figures are really the minister's tombstone. They are the best indicator of the failure of this minister's policy. It is not all the fault of the minister because he has had some assistance in this failure. It is really the failure of the government to fight inflation and deal adequately and in a straightforward manner with this basic and fundamental problem. The housing cost figures are alarming.

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

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, some remarks could be made before six o'clock in relation to the debate that is taking place, but before doing so and with Your Honour's permission I wish to read into the record some statements and reveal their source. They were made by a political figure. He is quoted as saying:

"What we are trying to do is expand supply; it is the old-fashioned market philosophy—if you increase supply, the price will come down and stabilize."

In relation to housing, he is also quoted as saying:

—war against speculation is twofold: public wariness, and private negotiations. In public he is giving notice that the government is going to attempt to "depress and even roll back prices," and in private he is negotiating with what he calls "the other two points in the triangle—the municipalities and the private sector."

Another quotation of interest is the announcement of a housing action program as follows:

—to increase the supply of housing available, naming areas, target dates and housing prices. The theory is that this increase in supply will depress the cost of housing . . .

"A lot of this speculative boom is psychology," Mr. Handleman said. "People say you can't lose by buying land—and they've been right. What we would like to do is at least start throwing out the idea among the people who are speculating—'Hey, maybe this guy is going to put an end to this; we better start by being careful.'

". . . And when the first guy says, 'No, I think I'll put my money into stocks and bonds instead of buying land and that is mutliplied several times, the market forces will begin to work. As word gets around, you can break the psychological circle, or start to, by just warning people."

These remarks were made by a person who today fills the position of minister of housing for the province of Ontario. They were published in today's *Globe and Mail*. An innocent bystander in the galleries today who had been listening to this debate until now would wonder what on earth is going on in this country and who is responsible for what. In this statement the Ontario minis-

ter of housing admits responsibility for the provision of housing in that province. This has not been put forward in one speech by the proposers of this motion, including the hon. member for Calgary North (Mr. Woolliams).

Mr. Woolliams: Mr. Speaker, I rise on a point of order. I hope the hon. member for Davenport (Mr. Caccia) does not misquote me. I referred to the federal responsibility within the terms and conditions of the constitution. I thought the hon. member would understand the constitution. There is some provincial jurisdiction and some federal jurisdiction. I am always fair with the hon. member and the minister. I hope he will be as fair with me as I am with him.

Mr. Caccia: Just this afternoon the hon. member for Calgary North accused the federal government of hiding behind the constitution. How can he make the statement he just made, having said only three hours ago that the federal government is hiding behind the constitution? He knows very well that one of the basic reasons houses are so costly is the high cost of serviced land. Whose responsibility is that, if not the provinces'? Who is hiding behind what? Obviously there is a very important responsibility that has to be discharged by provincial governments. If it is not discharged, that is not the place to raise it and accuse the federal government of shortcomings.

A copy of the speech of the hon. member for Calgary North ought to be delivered to the Premier of Ontario: he is the person who at federal-provincial conferences in Ottawa publicly states that housing is definitely a jurisdiction for the province to preserve and protect. How can you have it both ways? Can you blame the federal government for not providing serviced land in the Toronto area, and at the same time deny the Premier of Ontario the right under the constitution to do that very job? Obviously not.

There is a lot of inconsistency of logic on the part of the Tories, particularly by the hon. member for Calgary North, whether he likes it or not. We admit that we have a responsibility in the other component in the cost of housing, namely, the cost of mortgages. For those who cannot afford it, the federal government should and is doing something about subsidizing mortgages. Under the assisted home ownership program the federal government has made a very significant step toward providing assistance to low income families, probably newly formed families, to recover a portion of the cost of mortgages.

It is becoming quite clear that the value of these programs is limited to the two areas where the cost of land and the cost of mortgages is still relatively low compared to other parts of the country. It is going to benefit small towns and certain rural areas. That is fine. However, we agree with those who say it is desirable for the federal government to introduce a plan of financing mortgages on a national basis and on a proper scale. This would permit for a limited number of years, perhaps ten, newly formed families to acquire their first house for the children and have a portion of the mortgage subsidized. This would, of course, require substantial expenditure. That is an important factor in such a policy. However, to come here and say, as did the hon. member for Calgary North, that prices in metro Toronto are high because of the federal government's housing policy is not knowing what one is talking about.

● (1750)

If we do face a tight situation in Ontario, particularly in metropolitan Toronto, it is because the level of government charged with responsibility for providing serviced land has failed to take the necessary action. During the last 20 years it has failed to take advantage of the land bank provisions which have existed in federal statutes since 1954. At that time, loans are subsidized to the tune of 75 per cent. Later, the subsidy was increased to something like 90 per cent. But it is only very recently that Ontario has shown an interest in this legislation.

Mr. Woolliams: That is just one province.

Mr. Caccia: I do not know about other provinces. Perhaps the province from which the hon. member comes has done the same thing. It is another Tory province. The Tories, in their hunger for power, are saying one thing from one corner of their mouths and the opposite from the other corner. They are criticizing the government because of the effect of inflation on poor people in particular. Yet they are, by tradition, the chief proponents of private enterprise and in that capacity they are the first to protect the interests of the lending agencies, the trust companies and the banks. These are the people who would encourage the operations of the land speculators. It is they who quote in this House figures given by the Urban Development Institute. It is the hon. member for Calgary North and his hon. friend from Mississauga (Mr. Blenkarn) who speak in support of the Urban Development Institute. These are the proponents of the big interest groups. They now have the nerve to condemn the government and accuse it of causing inflation, when inflation is really caused by speculators behind the scenes.

A debate like this does, of course, tend to deteriorate when it becomes political. I am afraid I have been tempted into following the pattern set by the hon. member for Calgary North who, instead of trying to throw some light on the subject, slipped along the road of political expediency and ended by shedding as much light on this subject as a blind glow-worm attempting to find his way home in a one-way lane in Toronto. The hon. member for Calgary North is a master at confusing himself, confusing his colleagues and sometimes confusing even the press. He was at his best this afternoon.

Seriously, though, when we look at the question of housing we realize that once the political speeches have been made and the political dust has settled, we are confronted by an extremely complex problem. It is one which requires—

Mr. Blenkarn: A good government; a government which cares.

Mr. Caccia: I am glad to see this is beginning to hurt and that some response is forthcoming from over there. Its solution requires the co-operation of three levels of government, each of which is jealous of its independence. Second, housing is needed where there are jobs. Houses provided in areas where there are no jobs are likely to

remain empty. Thus, a housing policy is, of necessity, related to job location.

In an economy such as ours, generated chiefly by the large cities, more and more jobs are created in the principal urban centres. Effectively, the time comes when we run out of land in these urban centres and the question then arises: What do you do when you run out of a commodity which you cannot replace? Is the answer to increase the urban sprawl until, beginning in Ontario, it ends at the North Pole? The opposition tells us that cities should be contained within certain limits; that urban sprawl should not be encouraged.

The solution appears to lie in creating jobs in areas where the cost of land is still reasonably low and to which people should be encouraged to move in the expectation of finding employment. At this point, policy becomes the concern of the government at the federal level. I frankly recognize this. If we believe that every Canadian family should own a house, the answer might well lie in the policies put forward by the Minister of Regional Economic Expansion (Mr. Jamieson): this is the department which is trying to create new jobs in less populated areas, thus relieving the enormous pressure on the larger centres.

If what I am saying is acceptable as a theory, another important role has to be played by the Department of Industry, Trade and Commerce. In addition, there is a role to be played by the Department of Finance in providing certain specific incentives. To expect that the supply of houses can be increased today by the tens of thousands in areas where appropriate land no longer exists is, in my opinion, to entertain hopes which are altogether unrealisitic, unless hon. members are prepared to argue in favour of a policy of building high-rise apartments, a policy of replacing neighbourhood low-rise with high-rise structures—a policy which every sociologist has criticized as being inadequate.

Another important question is whether our policies are adequate in terms of providing housing for people with low incomes. We have been fairly successful in developing a variety of programs which meet the needs of middle income Canadians, but it is becoming clear now that the opportunities open to low income Canadians are rapidly diminishing. Housing and jobs go together. This is a subject not only for debate within the political arena; it is one which calls for creative thinking and the provision of practical alternatives, in the absence of which we shall still be debating housing when we are grandparents and great-grandparents, with extremely limited results.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, this afternoon the hon. member for Davenport (Mr. Caccia)—I am sorry he is not here this evening—thought he was going to shed some light on the housing problem facing those of us who live in urban areas, and in particular the urban area known as metropolitan Toronto and its environs. Sir, he did not shed any light at all. He attempted to make an apology for the Minister of State for Urban Affairs (Mr. Basford) by suggesting that the minister was not responsible for doing anything about housing, that really it was a matter for the provinces. I think all members of the House would agree that it is a matter of joint responsibility of the municipal, provincial and federal authorities, but that a great portion of that responsibility rests with the Minister of State for Urban Affairs in this parliament.

On March 13 last the minister stood in this House and made a great pronouncement. He said he was going to enter into another demonstration program. Almost like one of the famous streakers, he came forward with a new program of which he was so proud. He was going to demonstrate to all in Canada the kind of new, innovative housing that was possible today. He said that this demonstration would culminate in the creation of Habitat 2000.

The minister then sat down, and from every corner of this House opposition spokesmen said what they thought about this minister and his program, and the minister slumped further and further into his seat. This is the minister who really is responsible for nothing except sound and fury. What he says really signifies nothing. He is like Nero playing the fiddle. He is the kind of fellow who really has nothing to offer other than famous words and slogans.

Last year the minister introduced AHOP and NIP. Last week he brought to us MIC. What have they produced for the people of Canada? A great big zip. The minister of housing should be called the minister of zip, for that is what he is. This minister fiddles while the price of houses climbs and climbs and climbs. A year ago, less than 5 per cent of the people of this country could afford to buy a new, single family dwelling. Today the percentage is much less than that. The hon. member for York South (Mr. Lewis), speaking in Ontario this weekend, said that a person had to earn $23,000 to qualify for a new home in Toronto. Pretty soon only the very wealthy will qualify for a home in this country. Members of parliament cannot qualify for a new home in metropolitan Toronto even on their salary, and we are supposed to be so well paid, the leaders of the country.

We told the minister last year that there was a shortage of serviced land. We pleading with him all last session and asked him to put some money into serviced centres, transportation, water mains and sewers. We asked him to lend municipalities money, to make grants to them. But what did he do? He land banked for tomorrow. That is the kind of minister he is. "Old tomorrow", they call him.

An hon. Member: What about the national dream?

Mr. Blenkarn: I will be coming to that. A year ago when I spoke in this House about housing costs, the price of lots in my riding was $20,000. They are now up to $42,500. All the minister has done is land bank. What has he done to curb speculation in housing? The reason he has done nothing is that he and his government are responsible for the highest inflation this country has ever seen. The proof of the pudding is in the fact that this government went to the people of Canada last week with a bond issue. The bond market in this country said, "Keep your bonds. We

don't believe in your paper money. We don't believe in investing in bonds because we know that if we do, they will buy us nothing when we get our money back". The people of this country are looking for something more solid to put their money in.

Since this government does not care about inflation, Canadians are running out and buying real estate because at least real estate is bricks, mortar, land—something of value. The government does not care. It says, "Protect yourselves. We cannot do anything about it; inflation is a worldwide problem". People are realizing that this government does not care and they are buying real estate in order to protect their savings. So what we have now is the sort of situation that exists in my constituency, where a house which sold for $23,900 four or five years ago sold only last week for $59,500. When the house was first sold at $23,900 it bore a first mortgage of somewhere around $16,000. In the resale the new mortgage will be $40,000. The mortgage company that put up the mortgage money is a company supervised by the Minister of Finance (Mr. Turner) through the Department of Insurance.

This mortgage company is making loans to enable inflation to continue. The government is pumping money into the economy in drunken fashion so as to enable speculation in real estate to continue and roll over and over. The Minister of State for Urban Affairs does not know anything about that at all, because he does not understand that housing is purchased and sold on a low down-payment basis with huge leverage factors.

● (2010)

When asked what he is going to do about this problem, the minister just shrugs his shoulders and talks about land banking, AHOP, NIP and MIC. What have the minister and this government really accomplished for the people of Canada? I suggest they have accomplished nothing at all. Instead of getting down to the needs of the people and doing something about controlling financing which enables speculators to make such excessive profits, this government does nothing whatsoever.

I was in Calgary last Saturday, sitting in a coffee shop at two o'clock in the morning waiting for a flight. I met a constituent who informed me that he had purchased a house for $35,000 in March of last year and was now moving to Montreal and had sold the house last week for $54,000. That is an increase of only $20,000! He was not happy about it because he has a son who married recently and is going to buy a house. This is the kind of speculation in financing allowed by this government. This government lacks any planning in respect of control over the money supply. This is the kind of response we get from that minister across the aisle. I suggest he does not care.

Ministers over there continue to tell us that they can do nothing about inflation because it is an international problem. I suggest they cannot do anything about it because they do not want to do anything about it. At the present rate of inflation, particularly in respect of housing, it will not be very long before only the very wealthy will be able to afford accommodation, and perhaps even they will require subsidization. What hope is there in that situation?

[Mr. Blenkarn.]

The number of housing units being built for those of deprived circumstances in our economy, including people on old age assistance, on welfare and on widows' allowances, is far less than we require. The hon. member for Ottawa-Carleton, speaking earlier today, indicated that the number of people who line up for social assistance in respect of housing is continually growing. At one time those entitled to assistance in housing could earn only a maximum of $4,000 to $5,000 a year. That maximum has now increased to $7,000 or $8,000, and I suggest that soon you will be able to qualify for social assistance in housing with a salary of $12,000. And that will eventually increase to $15,000 or $18,000, the way price structures have been rolling over and over. This government has an obligation to step in and make sure that we no longer allow increases in profits on housing to the point where homes will soon be unobtainable to all citizens.

One of the greatest problems in the housing situation can be directly related to our presently accepted methods of financing and the leverage involved. Traditionally, houses were sold with a 10 per cent or 15 per cent down payment and the balance was paid through mortgage financing. Under the present system, mortgage companies and lending institutions will lend 75 per cent of the sale price. If a house is worth $20 a square foot, a house with 1,000 square feet is worth $20,000 to build. When such a house sells for $60,000 one can only assume that the remainder represents the cost of the land. We wind up with 75 per cent financing on the total package. This leads to financing speculation on the land. The minister should realize this, and it is about time he got down to brass tacks and did something about it. I suggest we are getting no leadership from this minister, with his AHOP, NIP and MIC.

This government could not only do something about the cost of financing; it could do something about the housing shortage. The major difficulties in metropolitan areas have resulted from an acute lack of serviced land. It is all very well for the minister to say that this is the responsibility of the provinces, but with the taxing system in this country the federal authority has the taxing power and the ability to do something in this regard.

With the 11 per cent sales tax on building materials, this government has an obligation to plow back at least that money into the cost of servicing land. Every brick that is laid in my municipality carries an 11 per cent tax, but the city of Mississauga does not get a dime of that back in terms of assistance toward the cost of building roads, commuter lines, water mains, parks and recreational centres to serve the people who come there. The people in my municipality throw up their hands when talking to the Ontario minister of housing. When questioned, Mr. Handleman always asks where the province is going to get the money for services. We all know that the province cannot print the money, like these fellows opposite us. The province must get its money legitimately.

The federal minsiter keeps telling us housing is a provincial responsibility. That is a wonderful way to duck his responsibility, which is to make it possible in areas of the country where growth is taking place to have on hand a surplus of serviced land. This could be achieved through the enormous revenues this government is obtaining from

the building tax; and the people who pay the building tax are in areas where the growth is taking place. I suggest that the minister could do one of two things. He could abolish the building tax and thereby reduce the cost of construction, or he could use the tax to offset the cost of servicing the land. The minister has not considered these possibilities. He thinks in terms of Habitat 2000. He thinks in terms of Habitat in Montreal, which is a marvellous demonstration of building where the wealthy can live in the downtown area. Let us have a Habitat for the ordinary guy who is trying to raise a family. Let us have a place where the ordinary man can buy a lot and build a house. I suggest the only way that can be done is by making money available for servicing land.

The minister's parliamentary secretary spoke about land banking and blamed the province of Ontario for not accepting assistance in this field. I would ask him what he proposes to do. Does he intend to go to the McLaughlin and Cadillac corporations and ask them to buy up the land, allowing them tremendous profits; or is he prepared to adopt a policy of servicing this land with the use of funds such as those created by the building tax in order that developers will not be able to speculate but will have to develop these areas in a legitimate way?

Is the minister prepared to step in and stop the speculation on vacant land? These speculators are not just the big fellows. Is he prepared to step in and say that they will be taxed to the ears for taking advantage of the ordinary citizen? I suggest he is not prepared to make a move like that. All he is prepared to do is talk about AHOP, NIP and MIC. He does not have anything new to offer. His whole concept in housing was out of date ages ago. The minister tours the countryside attending housing conferences. He has studies made and he initiates building projects through Central Mortgage and Housing. But he does not do a thing to assist the ordinary guy in his responsibility to look after his wife and kids.

A year and a half ago I knocked on many doors in apartment buildings that were not designed for people with children. Unfortunately, the children had to learn to ride their tricycles in the corridors. What has happened since then? The rent for those apartments has gone up, not $10 a month or $20 a month but in some cases $50 and $60 a month. At that time there was a vacancy rate of about 2 per cent or 3 per cent, but now it is less than 1 per cent. People are being forced to pay outrageous prices which they cannot afford, because of great speculation in housing.

● (2020)

It is up to the government to do something about this speculation, and not just wash its hands and say it cannot do anything about it because it is an international problem. How did housing ever become an international problem? Do we live in some far away island, in the United States, in Germany or in France? No, we live in Canada and there is enough land for all Canadians. There is more land for each person in Canada than there is in almost any country in the world. It is disgraceful for this government to say there is no place for a young family to plant its seed and grow simply because there is no serviced land with transportation arteries, water, sewage and the like.

To say it is necessary to bank land in order to put it away for some time in the future is a disgrace. The problem is right now. Young families are growing up, and they cannot afford houses. It is up to the government to do something about this problem. The government should use its funding, its taxation and resource abilities and step in and get on with it, instead of demonstrating. We have had enough demonstrating, new ideas and innovative thought. The people of my riding, and I am sure the people of all ridings of this House, want housing; they want four walls and a good roof to keep them warm in the wintertime. They want a place where they can live with their children. They want a backyard.

They do not want to hear about demonstrations and Habitat 2000, international conferences or the sending of $100 million down the drain in respect of demonstration Habitats 2000. They are not interested in these things. They are interested in the ordinary things they are entitled to have. They are entitled to have a piece of Canada, a place to plant their seed and raise their children. That is financially possible, it is economically possible and it is the responsibility of this government to produce.

Mr. Barnett J. Danson (York North): Mr. Speaker, I must say I have been rather discouraged by the empty, silly rhetoric coming from the other side, the party which introduced the motion today. I have not yet heard one constructive suggestion. They seem determined to badger the minister and they use every possible initiative in doing so. They really are not interested in setting out policies to deal with a very serious problem. They are just interested in scoring political points. I think that is disgusting in respect of a serious problem. They confuse the whole issue.

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

Mr. Speaker: May we have order, please. The hon. member for Calgary North (Mr. Woolliams) seeks the floor on a question of privilege.

Mr. Woolliams: Mr. Speaker, I would hope the hon. member would be fair. I certainly made five or six specific suggestions in respect of our program. I do not know whether the hon. member was in the House, but the kind of nonsense he is peddling is an attempt to get propaganda. We do not have to take it.

Mr. Speaker: Order, please. All hon. members are entitled to make speeches, including the hon. member for York North (Mr. Danson).

Mr. Danson: Thank you, Mr. Speaker. I sat through the whole of the hon. member's speech and do not recall hearing any constructive suggestions; but perhaps my memory fails me. I think we have a serious problem in respect of inflation. No one denies that. However, I wish we could separate the two problems. They are interrelated, but I do not think we are discussing inflation now. The fact of the matter is that year after year since I have been a member of this House, every previous prediction with regard to the number of housing starts has been exceeded.

I stood on platforms in the election of 1968 and said that if we did not have at least 200,000 housing starts per year I would not stand on an election platform for our party again. I knew we would meet this commitment. We not only met it but exceeded it. Last year there were 269,000 housing starts. Qualitatively, and quantitatively we are the best housed people in the world. This has not been accidental. I do not say it is good enough. We should be the best housed people in the world and should be doing better. However, I do not think there is anything to justify the type of comments which have been made.

When I talk about 269,000 housing starts, this was in a year when the net family formations were 130,000. So the net family formations have virtually matched the number of single family dwelling starts in Canada last year. I think that is a record. I am sorry I do not see my friend the hon. member for York-Simcoe (Mr. Stevens) here, because he picked out the ludicrous statistic about houses in the year 2000 costing $200,000. This type of thing does not get to the root of the problem. Of course there are major problems. There are major population movements which themselves involve problems. Although many of us are aware of this, the comments which appear in the paper on public consultation on population questions of the Canadian Institute of International Affairs bears repeating:

> The proportion of urban population constituted 76.1 per cent of the total population in 1971. The corresponding figures for 1966 and 1961 were 72.6 and 69.6 per cent respectively. The majority of urban population live in urban centres with population over 100,000. The high concentration of population in big urban centres reflects the great transition from an agrarian, to an industrial, and now to a service-oriented economy with the dominance of commercial, professional and industrial activities. With the exception of Nova Scotia, all the provinces registered an increase in the proportion of urban population between 1966 and 1971.

So we see the situation and it is pretty obvious it is upon us. I think we must ask ourselves what the urban concept is. I think we also must ask ourselves what a home is, when we speak of price. Instead of talking about big, growing cities I think we have to be thinking in terms of urban systems. Transportation is critical to this concept. Those of us from the Toronto region I think rejoice over the decision to operate the Barrie commuter service to Toronto and also the one from Toronto to Richmond Hill. This provides an opportunity for new communities to spread out over a broad area with provincial planning. We are not splitting hairs about whose responsibility it is. We have met our responsibility. The government has allocated $500 million for the land banking of serviced land. This is half a billion dollars.

Mr. Woolliams: Half a million?

Mr. Danson: No, half a billion dollars. What has my great province of Ontario done? I have not heard about any of this money having been picked up yet. We are providing the tools to do the job. The provinces guard their prerogative jealously, and I do not quarrel with this because I believe it is a provincial prerogative. Since 1954 the federal government has paid 75, per cent of land assembly costs. One might ask where the provinces have been in this regard, because the problem is obtaining serviced land. There have been loans for sewers, low-cost loans with a 25 per cent forgiveness clause. It has applied to sanitary sewers but now applies to storm sewers, which again helps land assembly.

● (2030)

Where is the province of Ontario and where are other provinces on this? We are providing money, we are responding. I wager there would be more money forthcoming as soon as the provinces responded. It is the province which has the prime responsibility for the planning, for land assembly. I have not been able to get the facts, but I wager that the province of Ontario has taken some of this money. I would bet my bottom dollar that they will use it for land assembly at Cedarwood near the proposed airport site. If that is the case, I would consider it to be a misuse of funds because the Cedarwood development was committed before this fund became available. The fund is designed to open up new areas. If the province of Ontario is using this fund for Cedarwood, I would say that they are hoodwinking the people of Ontario and the people in the Toronto region. I urge my colleagues from that region to look at this very carefully. If Ontario has taken part of that fund and is using it at Cedarwood, they are misusing the fund because they would be spending that money anyway.

I would not like that to be a repetition of another development, Malvern, when people in the region had to draw lots and in some cases pay under-the-table money to even have their name considered for houses at a lower cost. What happens when one sector of the population buys housing at a lower cost than others? Who gets that right, and what right have they to resell houses which were purchased at a lower cost because of the foresight of the federal government and the delay of the provincial government? Who makes a profit on this lower-cost housing?

With the greater opportunity which is presented to the provinces by this federal funding, and the federal decision to run commuter trains north at Toronto as well as those running east and west—and I give the province full marks on getting the east-west commuter service going—their planning requirements are intense. The danger is that we will continue this sprawl which my colleague from Davenport (Mr. Caccia) mentioned. It could go right up to the North Pole, although I say at least to Lake Simcoe. That could happen if the present government of Ontario stays in office, but I do not think there is too much fear of that.

We have to open up areas for new communities, use this money for intelligent planning, for smaller communities to grow and thrive under proper plans. We should use this money to put into force the Toronto-centred region plan because, in spite of all its weaknesses, it is a reasonable plan. Frankly, I can criticize portions of it but the thrust is great. It leaves great areas for green belt, but regrettably the province narrows down the areas of the green belt just to let the hydro lines through. The plan must provide adequate recreational areas and agricultural areas. These are the important things that develop an urban system—not to concentrate people in the downtown core and make better living areas there.

I have serious doubts about central core renewal and its value. To be able to get decent single family dwellings on a decent piece of land one has to move away from the

central core because in the central cores of the cities there will be high density, high rise and very high cost or heavily subsidized housing. I am not sure that that is the route to take. If those people who want to live there persist, they must be prepared for high density, high rise and high cost. I object to subsidization for normal housing and I would rather use those funds more constructively in developing more humane communities where there is some greenery, some air and a recreational area.

My friend, the hon. member for Calgary North (Mr. Woolliams), probably has the same trouble in Calgary that we have in Toronto. The inflationary problem with respect to housing is a serious one to young people in particular. When I came out of the army I bought a house for $7,600, which at the time I thought was an awful amount. It was away up in North York, which is metropolitan Toronto now. Everybody thought I was crazy, and I did too; but I could do nothing else. It was my first house. I have traded up until I have a decent one now; a very old one, mind you, but one with which I am very happy. Now it is worth 20 times the amount I paid for the original house. But at least I had a start.

The house I bought had two bedrooms, one small bathroom and a kitchen that did not have push-button gadgets all over. It had an attached garage, but no paved driveway. It was a heck of a lot better than living in my parents' home or in an apartment, although those who choose an apartment can have it. It was enough to get a start. Now the houses we are talking about have 2½ bathrooms, finished recreation rooms, many of them have dens, libraries and are landscaped. Really, I think that is beyond our expectation. What should be our expectation? I think it is great if people can have all that if they can afford it, but we must look after those who cannot afford it.

The determining factor is the price of serviced land, because it is so expensive that you can only build expensive houses on it. If you went to see what was built as temporary housing at the agricultural farm in Ottawa during the last war, you would see that these are rather attractive houses. Over the years flowers and trees have grown around them. They are not a bad place in which to start a married life. From there you can move on to somewhere else. Neither are they a bad place to go to when you are older. I think we have lost the concept of that type of house.

Last week in my constituency, in Richmond Hill, there was a display of mobile homes. They are not really mobile; they are prefabricated homes. I was astounded to find them quite attractive. They are roomier than any moderately priced apartment I have seen. They are attractively appointed and are selling for $18,000 to $20,000. These were fully furnished. Some had a washer and dryer, all had a refrigerator and a stove, and they were very attractive. Perhaps someone would not want that for the rest of their life, but it is not a bad place in which to start or for when you are older and your family is grown.

We do not have to go after a $40,000, $50,000, $60,000 or $80,000 house. It is not everybody's right in Canada to own a mansion. This is what we are talking about in relative terms. We are talking about people who are forced to buy houses which they cannot afford and which are away above their means. We have to watch it very carefully because cities are becoming oppressive places in which to live. There is a lot of action and excitement in them. I happened to be born and raised in Toronto and I love it dearly. I have lived in every province in Canada and in places abroad, yet I am always delighted to come home. But there is an oppressiveness in cities; and the bigger they are, the tougher they are.

There must be relief from tension. We see it here in Ottawa which on its doorstep has the Gatineau national park and is particularly favoured in that way. I stayed in Ottawa this weekend and yesterday went cross-country skiing. One can get there in 15 minutes and it is beautiful. People in Ottawa, although they have a difficult housing problem in that housing is so high-priced, can still live on a more humane scale. In the city of Toronto they have done a pretty good job of parks, but we have to keep this up. Regrettably, in Toronto we take a beautiful wooded ravine, which is a great asset, with a river flowing through it, and then we pave it to make it into the Don Valley parkway. This is very unfortunate. It helps the traffic to move but we have given up something else.

I urge the people in my province and in the area in which I live to pay greater attention to urban national parks. I believe the minister himself urged them to follow through on this initiative which brought the waterfront park to Toronto. The city of Toronto owns the Langstaffe jail farm in my constituency. It is 640 acres, sitting north of the city. I plead with the mayor of Richmond Hill, Mr. Lazenby, and the mayor of Toronto, Mr. Crombie, never to let that go for major development. They wanted to build a dome stadium on it. I opposed that. I may not have been popular with them, but I think you could do some imaginative things with that land in the form of reforestation. I do not mean a camping area but a place to grow trees so that kids from the city could go out there and see trees growing. It could be turned into a recreation area of some type. I say, let's get the trees planted. You can always cut some down if you have too many, but first get them planted. It takes time for trees to grow. They provide oxygen, and are a rejuvenating force in urban life.

● (2040)

Then there is talk about 18,000 acres for a major airport. Mr. Speaker, it could end up as Toronto's equivalent of the Gatineau park. Even if the airport is built, it would take up only a small portion, maybe only one quarter of those 18,000 acres. The rest could be turned into a park, with trees, streams and ponds and a recreation area. It is needed now, and if that is what this debate is all about—

An hon. Member: It is about housing.

Mr. Danson: It is also about urban matters and you cannot dissociate the two. What is needed now is a continued infusion of federal funds to permit the provinces to do sensible planning so that we can get lots of serviced land in urban areas upon which people can build their homes. Here I am not suggesting that these be poor homes: I mean adequate, attractive homes. People should be helped to get them. I happen to think that owning a single, detached home is part of the great Canadian ideal. Those who want an apartment can have that type of life, but the other is the Canadian ideal.

The fact remains that we have provided the initiative. I regret to say that the province of Ontario has been very slow in picking up that initiative. I could almost promise, Mr. Speaker, even though I do not have the authority to promise anything, that if the province of Ontario got off its seat with its new minister of housing and really used these funds to acquire land, more federal funds would be provided to follow up that initiative.

In the meantime we have a way of life second to none in the world. But as Canadians we are never satisfied. It may be recognized that on a purely material basis we do not have the highest standard of living, but we have the best way of life in the world. Surely we can all recognize that. It has not been achieved as the result of political backbiting: it has been the result of long-term planning and proper use of land. And, Mr. Speaker, the land is strong, by gosh!

Mr. John Harney (Scarborough West): The land may be strong, Mr. Speaker, but by gosh the price isn't right these days. It is always worth while to listen to the hon. member preceding oneself because often that way one can pick up a few notions. I always enjoy listening to the hon. member for York North (Mr. Danson). For one thing, he did save me a task that I felt I might have to undertake following the recriminations of the hon. member for Mississauga (Mr. Blenkarn) which were so severe that I thought the minister would be totally shattered. I would like to see him shaken occasionally, but not totally shattered. Anyway, the hon. member for York North did pick him up a bit, so I do not feel obliged to rescue the minister.

I also have gratitude to express to the hon. member for York North for his suggestion, his serious suggestion, that the Toronto area needed more parkland. I totally agree with that. About a year and a half ago, during the federal election, the government saw the light. Somebody discovered that the city of Toronto did need parkland, and right in the middle of the election we had the offer of a Toronto harbour waterfront park at a cost of $30 million to $40 million. But we still have to wait to see that park manifest itself. I was down there recently, Mr. Speaker. I saw a tiny bit of lawn along a pier, and some park benches. They were not imported from Expo, so they must have been bought somewhere. But we are still waiting for the park.

There are many other areas in Toronto which need parks, and perhaps none more than the area I represent, Scarborough, and particularly my riding of Scarborough West. I know that if the minister takes a look at Scarborough West—which, by the way, is that part of Toronto just east of Victoria Park—he will say, "The hon. member for Scarborough West might have a good idea, but how can he bring it off, because most of the area is taken up by housing, or expressways, or roadways, or railways, or factories, a couple of small golf courses and a few ravines which have not been completely paved over," as the hon. member for York North remarked a while ago. "Where indeed," he might ask, "shall we build or establish a park in Scarborough West?"

I would ask him to look at a map of that part of Toronto and he will see a marvellous piece of free, green land; that is to say, land free of housing, factories and roadways. But it is not free to the people because they cannot get into it.

[Mr. Danson.]

However, Mr. Speaker, it is there, it is green, it is ready and it is available. It is known by some people in Toronto as the Toronto Hunt. I get a reaction from one of the Toronto members. I do not expect to get a reaction from western members because they do not understand what it is to ride to the hounds in a red jacket. In Toronto that kind of thing is still done—

An hon. Member: You're kidding!

Mr. Harney: —metaphorically at least, and it is done in my riding which is predominantly a workingclass riding but where the upper crust of the city come out to entertain themselves on a magnificent piece of land. As a matter of fact, if you consider the whole area of Scarborough West which faces on Lake Ontario on a piece of magnificent geography, the Scarborough bluffs, it is about the only free space on the Scarborough bluffs. Yet the unfortunate part of it is that it is completely sealed off to the population of Scarborough West. This is a fairly densely populated part of the city of Toronto. I do not need to point out that the population of metro Toronto is now some 2.8 million.

As the hon. member for North York suggested a while ago, the pressure of population just cries out for recreational space, for green space, for places for trees to grow and indeed for people to go. I would suggest to the minister, were he here—but I am sure some of his colleagues are here and hearing—that there is a marvellous place in the eastern part of Toronto which could be taken over for a park. I am sure many people in Scarborough would appreciate it, although some people in the Toronto Hunt would not appreciate the insidious and practically seditious suggestion I am making here tonight. I do not know what they do in Victoria, but I suggest this is the only place in Canada where people still evoke riding to the hounds in red jackets. There are many people in Scarborough who would enjoy that initiative. Actually, some of the neighbours of the Toronto Hunt Club would not until recently have appreciated that suggestion because, naturally, the area immediately adjacent to the Toronto Hunt Club contains some relatively high-income people. They are in the Fallingbrook area.

● (2050)

The Toronto Hunt Club, in its disdain for the entire neighbourhood, including the Fallingbrook area, has put up a 12-foot wire fence to keep out the upper middle-class Fallingbrook residents because they are not quite good enough. The minister ought to know that the few members of the Toronto Hunt Club enjoy the freehold of this property for the paltry sum of $10,000 or $11,000 a year in municipal taxes. When you consider that they control 100 acres of choice, green, open space in an area in which people cry out for access to open spaces, that is very cheap territory.

I suggest to the minister that his ministry, on behalf of the federal government, should get in touch with the provincial government and, together with the municipality of Scarborough, purchase or appropriate in some decent and proper way the Toronto Hunt Club land so that it can be used not only by the people of Scarborough West but, as well by the people of Scarborough East—I see the

hon. member over there nodding—and also perhaps, by people as far away as York North. They, too, would like access to that magnificent body of water, Lake Ontario.

I was intrigued, when I heard the Speech from the Throne on February 27, to hear some reference to problems facing this country. The pertinent paragraph in the speech is worth reading in part. It is:

> In the domain of social policy the government is playing a vital role to achieve a more balanced pattern of urban growth and to increase the quality of life in our cities in co-operation with the provinces and municipalities. Improved means of public transportation are indispensable to the achievement of these urban goals. Measures will be introduced to establish a national urban transportation development corporation to co-ordinate and market the development of required new technology in this field.

It was good to hear that reference to the problems our cities face. It was good to hear that the government is aware of the problem of urban growth. It was even good to hear that it is concerned about urban transportation. Even though members who have spoken have assailed your ears about the problem of housing, I assure you, Mr. Speaker, that that problem has not gone away. However, there is an added problem. People in large urban communities do not simply face the problem of finding adequate housing; they also face the difficulty of going home to their houses and of going to work from those houses.

If you ask the people of my riding what it is they complain of most apart from high food prices, high living costs and high rentals, they will tell you that they complain most generally about transportation. You do not need to take my word for it, Mr. Speaker. The venerable and honourable Toronto *Star* had a survey commissioned in Scarborough a few weeks ago. It discovered that people were proud of being residents of Scarborough. Although they are part of a large urban conglomeration known as Toronto, the people of Scarborough tend to identify themselves as being from Scarborough. If asked, they say, "yes, we are from Scarborough." They mention that area instead of Toronto; whereas the people in Etobicoke, the mystical and mythical land at the far western end of our city, tend to identify themselves as Torontonians. As I say, the people of Scarborough tend to identify themselves as citizens of Scarborough. Although they like to live there, some 59 or 60 per cent of them say that their major concern is that of transportation.

I was pleased to see that the government had promised in the Speech from the Throne a national urban transportation development corporation, until I read the words "to co-ordinate and market the development of required new technology." If you study those words, what do you have? Nothing. There is nothing in the speech but phraseology, and phraseology we have had in superabundance from this government. I have listened to the speeches made by the minister and other cabinet colleagues and have heard nothing specific about the problems facing the cities except fine phraseology. Go back over the record of this session and of the previous session: yes, all the promises are there in the finest, flossiest Liberal language—but there is nothing specific.

Let me allude to one of the problems which faces major urban centres in this nation and my riding of Scarborough, the problem of transportation. This government really has had nothing to do with the major debate which has raged in Toronto as to what system of transportation we should develop. Some of us have taken sides. I, myself, opposed the development of the Scarborough expressway. Some in my area think differently. We had an excellent report produced by Mr. Richard Soberman. He produced a report a number of years ago, for the Department of Transport, on commuter rail. His recent report came out squarely against the construction of the Scarborough expressway. It was a milestone decision. Furthermore, it was an important decision because of the alternative it proposed. It said that we in eastern Toronto should be served by what is known as light rail transit; that is, not a subway, not a heavy rail operation such as the Go train, but light rail transport.

There are several advantages to such light rail transit. For one thing, it is relatively cheap. We can build a light rail transit system extending from downtown to Guildwood in the relatively far eastern end of Scarborough for about $85 million which, when compared with the cost of expressways, is peanuts. The light rail transit system would be flexible. It could adapt itself very well to our innercity transit system and could connect us very well with our intercity transport system. It would be flexible in a way in which no subway system can be flexible. There is much to recommend it, including the fact that the rolling stock can be produced in Canada. It is true, as Mr. Soberman points out in his report, that we would now need to buy the rolling stock from the United States because we have stopped making fast, light streetcars in Canada. Yet there is no reason why in the next two or three years we should not develop such an industry in this country. We have the plans, the capacity, the skills and the resources to produce our own rolling stock.

It is worth while pointing out to the Minister of Industry, Trade and Commerce (Mr. Gillespie) that if we decide to build our own rolling stock, not just for Toronto but for the other major cities, Montreal, Halifax, Winnipeg, Vancouver and other places, we would develop an extremely worth while Canadian industry which would make appropriate use of our resources and the skills of our working people. It could do this without interfering with the famous, or infamous, auto pact, depending on how you see it. There is no reason why we should not enter the field of light rail transit in this country to satisfy the transportation needs of our urban populations. For one thing, such a system is much cheaper to operate than some other systems. Light rail transit would be more efficient than the automobile in taking people to and from work and in and out of their communities.

● (2100)

Without going into the complicated engineering figures, we know it costs some 50 per cent more per passenger-mile to transport a person in an automobile than it does to transport the same person in public transit of the kind I have been describing. These days, particularly when we are energy conscious, we should be doing everything in our power to redirect the use of our resources in the most economic way possible and in the way which pays the most heed to conservation. This is all very well but, you might ask, "What can the federal government do? It is sitting here in Ottawa, and you are talking about something that is going on in the cities of Canada." If we

wanted to make urban transit more attractive, one of the best ways to do it is to make it less expensive. The federal government could, for example, dispose of the federal sales tax on diesel fuel. It could, for example, dispose of the federal sales tax on rolling stock and equipment used by our public transit systems across the country.

Let us think of it for a moment. Does it make sense for one public entity, the federal government, to tax another public entity, a municipal or provincial government, so that it in turn can tax the citizens? It is true that we have three levels of government in this country, but the citizens of this country are not split three ways. We are all dealing with the same taxpayer. Let us get out of the habit of taxing one public entity at another level, because obviously this is a silly thing to do and in fact there are huge diseconomies involved in it. To make public transit more attractive, let's make it cheaper and insist that the federal government take the steps that it can take, rather than produce mere phraseology, in order to make public transit more available, more effective and less expensive.

Are there other measures which can be taken by the federal government? I hesitate to suggest the next because it has something to do with transport, the Department of Transport and the Minister of Transport (Mr. Marchand) who has confessed to us that he is relatively powerless. We did not know that. We suspected the Minister of State for Urban Affairs (Mr. Basford) was relatively powerless and that is why he had to resort to phraseology, but we thought the Minister of Transport had power until he told us he was relatively powerless.

If we had a powerful Minister of Transport, he could say to the railroads of this country that their rights of way in the cities of Canada can be used for the development of light rail urban transit and they shall make these rights of way available at nominal cost. After all, Canadian National Railways is public property, and Canadian Pacific has been given public property. Therefore, there is no reason why they should stand in the way of our cities and municipalities. They should make these facilities available as readily and as freely as possible.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired. He may continue only with the consent of the House. Does the House agree?

Some hon. Members: Agreed.

Mr. Harney: Thank you, Mr. Speaker. I will see if I can cover the rest of this universe in two minutes. I know it is impossible, but I will try to make one point. I have heard a lot today about the need to control what is happening in our cities, the need to control urban growth. I doubt if I have heard anything of significance from either side of the House. Let me give a couple of examples of the kinds of things that worry me.

An hon. Member: All that in two minutes?

Mr. Harney: I will give the worst examples. People in my area, again, stated in a recent survey that they want less growth and more parks. They are, very simply, saying that they want more of the amenities of life. They do not want to be forced into a situation where a community is growing out of control.

In my last minute or so I want to ask the government what suggestions will be coming forward. What legislation will be coming forward to control urban growth in a serious and sensible way? What shall be done? What shall be proposed to control the depredations of the speculators? Nothing that I have heard from either side of the House. To put the matter as simply and bluntly as possible, we will not be able to control urban growth. We will not be able to see that the amenities of life are brought to the citizens of our large cities until we decide on a policy which will ensure that the major part of the land in our cities is publicly owned. As long as the main consideration and ownership of land is financial, and solely financial, private interests will be able to change the face of our communities without reference to us, the citizens, or to any level of government.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, it is usually a pleasure to speak following the hon. member for York North (Mr. Danson) and the hon. member for Scarborough West (Mr. Harney), but tonight it just seemed that the old coalition was back at work. They really said nothing about the serious housing problem in this country—just a lot of niceties. I notice that even the minister had to leave the chamber. It is unfortunate that the minister is not in the House, but considering the dismal failure of his department it is not surprising that he would find it opportune to be absent when so much well deserved criticism is aimed directly at him and his department.

One aspect that cannot be overlooked in this entire debate is that regardless of the location of the riding of the member who is speaking, the problem is the same. Whether the speaker be, like myself, from an urban riding in British Columbia, or from a rural riding in Newfoundland, the needs of our respective constituents are equally great. When the cost of a home is out of reach for the average Canadian, then something is drastically wrong. And, Mr. Speaker, when a wage earner must be making about $17,000 per year to qualify for a mortgage at current market prices, we are indeed facing a crisis in the housing field.

There was a time when the Canadian people could look to their elected government for guidance, assistance and leadership in an area so critical to their very well-being. The Canadian people, however, have long despaired of such policies from the government's housing minister. His mammoth bureaucratic monster has succeeded only in spending large amounts of the taxpayers' dollars. The building of this giant white elephant has not even succeeded in bringing forth the squeak of a mouse. Undaunted, however, by the past failures of his department, the minister has proposed the expenditure of $100 million as an urban demonstration project. As the hon. member for Calgary North (Mr. Woolliams) said, that is approximately $55,000 per day for five years.

It is typical of the minister's department that this $100 million will not actually build a single home. His department can find millions upon millions of dollars and can build bigger and bigger bureaucratic organizations. In fact, Mr. Speaker, about the only thing the minister's

department cannot do is build homes for the Canadians people.

Some hon. Members: Hear, hear!

Mr. Watson: Only 269,000 this year.

Mr. Reynolds: I will be glad to include that in my speech. The hon. member says "only 269,000 homes this year." Tell that to the people of this country who cannot find a home to buy. I, like hundreds of thousands of Canadians people, want to know when the minister is going to do the job he was elected to do. One would think that after the mistakes made in his previous portfolio, he would have learned that not only the Canadian people but his own party expect some results, however infinitely small they may be.

The Canadian people will no longer tolerate the government's policy that nothing can be done about inflation, that it is purely dependent upon international events and we will simply have to roll with the punches. While this may be convenient for various ministers of the Crown and may afford them the opportunity to hide behind the failure to come to grips will the inflationary cycle, it does nothing to alleviate the problems facing this nation, particularly in the field of housing.

• (2110)

There are steps which could be taken immediately if the government wished seriously to attack this problem head-on. Some of these points have been raised on numerous occasions by the leader of this party, by our housing critic, the hon. member for Calgary North, and by other concerned members of this party including myself. Mr. Speaker, let us cut out the nonsense, let us cut out the red tape, let us cut out the millions of dollars being wasted on smoke-screen, political gimmickry and let us get on with the job which the people of Canada elected us to do.

A person does not have to be a financial wizard, and economist or even a contractor to identify the problems. It would appear, however, that the only thing a person does not have to be to identify these problems is a minister of housing. Two weeks ago in this House, during the debate on the address in reply to the throne speech, I referred to an advertisement in a paper from Houston, Texas, in which was illustrated a 1,700 square-foot house selling for $22,900. Now, if houses can be built and sold in the United States at this price in one of the largest metropolitan areas, then surely they can be built here in Canada. But government interference at all levels has so tied up the housing industry that the frustrations alone are multifold.

Recent changes in the tax structure in this country have adversely affected the profitability of constructing apartments. As a result, demand for these dwelling units is far outstripping availability. With almost 99 per cent occupancy of available space, the resulting situation is a sellers' market and nothing else, and those forced to rent units have been charged all the traffic will bear. For young families, the situation is impossible. Not only must they earn substantial incomes even to qualify for a mortgage, they must also make substantial down-payments. For a young family this is not always possible. Add to this the current interest rates, and we are faced with a situation in which the vast majority of Canadian cannot hope to own their homes.

In both the United States and in Great Britain a home owner is allowed a tax deduction in respect of interest paid on a mortgage, with the result that a far greater proportion of people are in a position to consider the purchase of a home. If the minister were serious about tackling the problems in his department, he could begin here. If the minister were serious about tackling this problem, he could immediately remove the 11 per cent federal sales tax on building materials.

Some hon. Members: Hear, hear!

Mr. Paproski: He doesn't care.

Mr. Reynolds: If the minister were serious about tackling this problem, he could recommend that tax incentives he reinstituted so that dwelling units would once again become an attractive form of investment and stimulate apartment and townhouse construction.

Mr. Paproski: In all of Canada, not just the Vancouver area.

Mr. Reynolds: If the minister were serious, he could develop a policy directed at lowering interest rates on all CMHC mortgages. If the minister were serious, he could establish a federal fund, utilizing federal participation, which could be used on a regional basis to set up regional land banking agencies for serviced land. If the minister were serious, he would develop new and flexible national planning and building codes taking into consideration regional differences and disparities. If the minister were serious, he would incorporate rapid transit systems to serve land banks, thus making these available land banks attractive to potential home owners. One of the worst areas in the country as far as rapid transport is concerned is the minister's own riding.

Mr. Paproski: Shame.

Mr. Reynolds: The minister knows it is a serious problem in the lower mainland of British Columbia. He is a member of the federal government, yet he has done nothing. All they did before the last election was offer a bunch of money to build a crossing which was rejected by the province and rejected by the people. But they thought a few dollars going into that bridge might get them elected, and I must say it did; the ministers on either side of the bridge are still in the House. However, I think they are only here until the next election, because the people know the Liberal government is doing nothing for British Columbia, and the two ministers from British Columbia are part of the Liberal government.

An hon. Member: Bring back Rudnicki.

Mr. Reynolds: It makes me sick to hear members on the other side criticize my party for not putting forward housing policies. We have a distinct housing policy. The government knows it might work, but they just sit back and hope the problem will go away. I think they will get a surprise, because their government will go away after the next election.

Mr. Speaker, these are only a few of the proposals recommended by the leader of this party in an effort to meet the most basic need of all Canadians, the need for reasonable and comfortable shelter. Certainly the minister responsible for housing cannot continue to head his department without showing some sign of progress, somewhere—anywhere.

Only a few days ago the Minister of State for Urban Affairs (Mr. Basford) referred to me in an interview as a fool because I questioned whether there was a connection between his removal as minister of consumer and corporate affairs and the scandal involving several well known British Columbia cement companies and accompanying political ties. I do not feel that his comments were warranted, I felt, rather, that they were spoken out of frustration at not being able to come up with a plausible explanation to offset what I had stated in the House. On the other hand, based on the minister's past performance in both portfolios, consumer affairs and urban affairs, some people might be inclined to wonder if the minister wasn't talking about himself, because only a fool would continue in the job which he had not been able to do properly since he began it and which it is obvious he will never be able to do properly as long as he holds it. Possibly the minister is content to be the government's court jester. I can assure him, however, that the people of this country are not.

Mr. Paul E. McRae (Fort William): Mr. Speaker, I have listened to a great deal of rhetoric today, most of it quite negative, I am afraid. I was interested in the remarks of the hon. member for Mississauga (Mr. Blenkarn). There seem to be more problems in his riding than in any other riding in the country. One of the solutions would seem to be to remove some of the growth which is going on around Mississauga to other parts of the country where growth is needed; for example, the maritimes, northern Ontario and the west. This would solve some of the problems experienced by members from the Toronto suburbs.

I was appalled at the reaction of the Conservative Party to the minister's announcement. I would point out that the announcement was not intended to solve all housing problems. It was intended to look into the future to see what we are going to do about housing problems then. The hon. member for Calgary North (Mr. Woolliams) was so confused that his confusion spread to the New Democratic Party. I think we should try to understand what this bill is attempting to do in the long term.

Mr. Nielsen: It is not a bill.

Mr. McRae: It was not meant to solve all our housing problems. The amount involved is $100 million spread over five years, roughly $20 million a year. This is about 2 per cent of what is being spent on housing, so it is not a vast amount of money. The bill does not initiate research projects. The bill is for demonstration projects. Research will be going on, but that is not the purpose of the bill which will follow.

I should like to consider the urban problems of the future and see the type of world we are moving toward and ask whether we ought to carry on using the same type of urban development 20 years from now. If the answer is no, we need to redirect our thinking and find new ways of approaching this challenge.

[Mr. Reynolds.]

The urban areas of the developed world will double in about 25 years. If we continue with this growth rate in Canada—and I shall have something to say about that at another time—we are going to need about six Torontos between now and the turn of the century, though I am sure we can do better than having six Torontos, or 20 Ottawas. That gives the House an idea of the kind of growth we can expect. Therefore, I ask, is it satisfactory to continue building homes in the way we are building them now, using the same patterns, methods of building, the same techniques, building materials, and so on, in order to double the number of houses we have now? I think the answer is no.

● (2120)

One very serious problem being faced by the construction industry, the industry that builds our cities, our commercial buildings, houses, industrial plants, and so on, is the shortage of conventional resources. One of the west coast firms moved into Thunder Bay last year and the province gave them reserves that had already been cut over, though I do not know whether the province realized this. This company is going to have a lot of difficulty getting sufficient wood to plan its operations. In order to supply the wood required, the province asked all farmers to cut reserves to supply MacMillan Bloedel only. In other words, if you were cutting in Nipigon you would have to move your supplies to Thunder Bay, and so on. The reason for this is that we are running short of resources. Even though these resources are renewable, there is a limit, and given the kind of growth we have in the construction industry we will soon be reaching those limits.

So far as methods of construction are concerned, much has to be done here. Galbraith, in his latest book on economics, talked about the planning economy and the market economy. The best example he gave of the market economy, the best in terms of power and productivity, was the housing industry. We would never put automobiles on the road if we had to build them as inefficiently as we build houses. All kinds of new techniques are needed to develop a new housing industry, one that will function efficiently. Land development, methods of construction, building codes are all problem areas.

One of the most serious problems in the field of housing—and I am not the first to say this—is the high cost of mortgages. This is a question that must be attacked by the government and by this House. If one looks at the profits made by the banks of Canada during the last 12 months, one finds they increased by 200 per cent in some cases. This is one reason interest rates can be lowered. I suggest that part of a first mortgage, say the first $10,000, be at a lower rate than the rest and that this be established as a pattern across the country. The government should be introducing measures to solve this kind of problem.

Another serious problem that we face is shortage of land. By this I mean shortage of land suitable for housing, not farmable. It is not a good idea to convert good farmland to use for housing. I would prefer to see the kind of land that we have in northern Ontario used for housing, instead of land around the Niagara fruit district, which is

high-priced agricultural land. We cannot continue to use this kind of land for housing. Food production is going to be all important over the long term, which is why we must not use for housing land that is presently used for producing food.

As far as energy is concerned, we in Canada need a great deal of fuel to keep our houses warm. About 50 per cent of our consumption of energy is used to heat houses and buildings. In addition, the cost of energy is increasing and shortage of energy supplies over the long term is a matter that must be considered.

Let me say a word or two about demonstration projects. Last week I had the good fortune to attend the meeting of a group called the Castle Green Co-op. This is a group that is building 200 housing units and is funded by a bill passed in the last session of parliament that gives assistance to co-ops and co-op housing. About 100 people attended this meeting, all of them members of this particular co-op. I have never seen a more enthusiastic gathering at a straight grass-roots project. I am proud the project is in Thunder Bay and I am proud to be associated with the government that provided funds for the project. I spoke to this group—one of my shorter speeches—for about two minutes, outlining the Minister's proposal for demonstration projects.

I had not left this meeting for more than half an hour when I received a telephone call asking me whether I would meet the caller and talk about this project. We, that is, the people directing the project and myself, spent the better part of the night, until two or three in the morning, talking about the possibilities for this kind of project. We talked about extra funding for central heating, about locating housing to take full advantage of solar heat. We talked about closed sewage systems in areas where it was difficult to dispose of sewage. We talked of recycling garbage and using it to create energy for heating and cooling systems. We also talked about recreational activities and other things.

This kind of project is fascinating and is strictly grass-roots. The whole idea of this demonstration project is to develop the grass-roots talent that we have. I explained to them very carefully that it was not a research project. If technological know-how is required, they will have to use technology already developed. But this does not mean we are not researching today projects that will be introduced four or five years from now.

I should like to say a few words about the cost of energy, not in terms of dollars and cents but in terms of the remaining energy resources of the world. I think this is what the people at the Castle Green Co-op meeting were talking about. The first thing that came to their minds was the question how to set up economic housing units in terms of energy cost in a cold part of the country, not as cold as the territories, perhaps, but nevertheless cold enough.

If we look at the energy demand curve in Canada as we double our population, the energy curve rises gently to start with but by about 1978 starts to go up and is almost perpendicular by 1982. This kind of curve is constant throughout the world. All energy curves are drawn in this way. On the other hand, supply curves tend to rise gently, and then between the years 1978 and 1982 or 1983, depending on how gentle or steep the curves are, they cross, which means that by 1983 at the latest we might be in for some serious trouble, especially if present demand continues.

My feeling is that we must do something to anticipate this, and this is why we should take another look at housing construction. Houses in a cold country require a lot of energy. Therefore, we should look at ways to cut this demand effectively now. That is what I think we can do with this particular program. In terms of developing countries, Canada stands forty-second or forty-ninth in relation to the efficient use of energy. We tend to use our energy in a very inefficient way; we waste a great deal of it. Sweden, on the basis of its population, uses only about half the energy per capita, with the same gross national product. I suggest we have a long way to go toward solving some of our energy demand problems. Just as an example of this problem, many of our commercial buildings are extremely wasteful in terms of energy use. I understand the Commerce Court building in Toronto uses the same amount of hydro as the city of Peterborough. This is the type of energy waste which we can no longer afford.

● (2130)

Many suggestions have been made, including some by the Castle Green Co-operative. One suggestion has to do with the better use of waste heat, that is, heat from 80 to 100 degrees from thermal nuclear generating plants. There are many ways of using this heat to create energy in various forms, and this is the kind of thing that must be done. Some of these things can be done under the demonstration project activities suggested by the minister.

Another suggestion relates to the use of garbage as a fuel. It has been found that a pound of garbage can be used to produce 4½ pounds of steam. I have not worked that out in terms of BTU's but it would be extremely significant. Another suggestion is that we use raw sewage for conversion into methane. Such a conversion project has been carried out in Toronto. This is something we should be looking into as the kind of project that should be funded. I understand that one industry in Toronto has established a plant at the Toronto stockyards to convert biomasses into methane.

There is also a fairly simple operation which allows the mixture of coal and oil, producing about the same flame with the same amount of heat one gets from using straight oil. Such an operation would have the effect of increasing the life expectancy of our oil reserves by about 33 per cent. I suggest there is a tremendous area in respect of alternate means of developing heat. Heat conservation is another area that must be examined. Various kinds of insulations should be developed and tested. We must also develop, examine and test various alternative and improved building materials.

Perhaps the shortages of conventional building materials, including wood, will reach the point where we will have to reconsider the effectiveness of conventional insulation. Perhaps it will be proved that we should not be burning all our oil, but should be converting it into plastics of various forms which are better building materials. Perhaps they can be produced in the planning sections of

our economy rather than in the market sections—produced much more efficiently with much better insulating qualities. These are some of the things I think can be done.

Having pointed out these things, let me say there is a very definite need to find new techniques if we are to double our housing needs in urban centres in the next 25 years. This is not a matter of taking a new research approach but is a matter of demonstration projects. What we must do is use some of the technology that now exists. This same Toronto industry used existing technology in its conversion of sewage to methane. This is the kind of thing that can and must be done. We must use existing technology of this kind, perhaps in a model city or a community, in an effort to show how we can avoid this kind of waste. Perhaps then the proposed $20 million a year will be money well spent. If that is how it is intended we spend this money, I think the money will be well spent and I support such an expenditure for that reason.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have listened with a great deal of interest to some of the comments of hon. members on the other side, including the minister. When the minister finished his speech I was quite convinced that there was no housing crisis in this country. He indicated that as a result of the many great things he is doing there is absolutely nothing else that can be done. I suggest this is the kind of rather negative attitude in respect of our housing situation which has created the severe problem which exists in Canada today.

I am inclined to think the minister has failed to take action of any kind in the area of providing additional serviced land and cutting down interest rates because the people involved in the financial institutions and development corporations which are making huge rakeoffs on serviced lands are friends of and contributors to his party. It is well known that the Liberals are in the pockets of these institutions and do not want to do anything to rock the boat too much.

The hon. member who preceded me made a good deal of fuss about new techniques and new ways of doing things. This is an indication of the fact that people on that side are living in a world of daydreams and are not really prepared to grapple with our problems, using the knowledge and information we have at hand, but are content to sit back and do nothing but suggest they are trying to think up new techniques to solve our problems.

The parliamentary secretary used the same old type of criticism we hear from Liberals all across the country. The only thing they can say about the Conservative Party is that we have no new policies. It is obvious that those hon. members have not done their homework or they were not in the House when the minister spoke. Anyone who had listened to him would have seen that the minister had a copy of our policy discussion paper in his hand when he spoke.

An hon. Member: You should have heard the hon. member for Calgary North (Mr. Woolliams).

Mr. Basford: One of your members said it was not even a policy paper.

[Mr. McRae.]

Mr. Yewchuk: I am not so sure that the minister knows that the hon. member for Calgary North (Mr. Woolliams) did have a good deal to do with the production of that paper. It is obvious from the minister's statement that he does not know what he is talking about. However, I was happy to see him holding a copy of the paper, and if he reads more than the first page—I doubt that he has done that so far—I am sure he will find it contains some good ideas.

Mr. Baker: He may even find something he can steal.

Mr. Yewchuk: Perhaps while he is still temporarily the minister he will be able to implement some of the good ideas which are contained in that paper, which will go a long way toward salving some of our problems in respect of housing. In spite of the glowing terms used by the minister when he spoke about his housing policies, I think his record speaks for itself. The policies which have been in effect for the past 11 years of Liberal government have led us to the point where we are becoming a nation of renters with virtually no one able to afford his own home today, and the situation is getting much worse. Fewer people even dare to dream about owning their own home.

We do not have to look far to see what has happened in respect of the housing market this year. Let us look at the situation in Ottawa, where in the past five years the price of the average house has doubled. One of my hobbies is to follow fairly closely this market and I should like to give an example of what has happened in Ottawa. In the neighbourhood in which I live, a house was sold last April for $45,000 to $47,000. That house was resold about three months ago for $72,000, and it is now advertised for sale at $95,000. In less than a year this house has more than doubled in price.

With that kind of inflationary pressure, I do not understand how the minister can sit back and smugly say he is doing everything he possibly can, or that there is really no problem in respect of housing in this country. I think it is fair to say that if something is not done about the inflation we are experiencing, the housing situation will be aggravated severely. Conversely, if the housing market is not stabilized, this will contribute to inflation. Inflation breeds high housing costs, and high housing costs breed inflation. This is a cycle that has to be broken somehow.

● (2140)

We have also heard many members on the government side state over and over again that we do not have in this country the land required for housing. That is a strange statement. The fact is that this country has more land than any country in the world. It is presently a matter of not having a government which has a policy to service the land and make it available to Canadians at reasonable cost. When we think of the millions of acres of land presently unoccupied in Canada, we find it rather difficult to understand why a building lot in the city of Ottawa, which I believe is a typical community, should cost $35,000 or $40,000. I am referring to a lot which is perhaps 100 feet by 100 feet.

I saw an advertisement in the paper the other day concerning a lot with trees on it. That made it valuable. It was advertised at $75,000. This was a lot which would

contain a one-family dwelling. While this type of situation occurs, it is no wonder the price of housing is becoming out of reach of the ordinary Canadian. It might be useful to look at the cause of this difficulty. Part of the cause, no doubt, is the fact that a large part of the development is left entirely in the hands of the developers. In spite of the minister's statement that there is a huge land assembly program, I have no knowledge of such a program working very effectively anywhere in this country. I do not see any such program in Ottawa.

We have a situation, for example, where a developer might buy a section of land perhaps for $2,000 or $10,000 an acre. About a third of that land will be taken for parks, roads, lanes, and so on, and he will wind up with probably three or four building lots per acre which he will in turn sell for $30,000 or $35,000 a piece. These lots are not available to individuals but are simply used by the developer for the construction of houses which are sold at a huge profit.

Another thing which would seem to be contributing to the high cost of housing, on which the minister, did not touch, of course, is the speculation which is carried on in land. People buy land and hold it for a month, two months, or less, and by this method tie up whatever land is available, simply to resell it at a profit. I think the minister should look into this situation to see that reason is instilled into that part of the housing situation.

Although I am a believer in the private enterprise system, I think there are certain areas where this system becomes self-defeating and does not serve the public interest. I hate to say that, but it seems to be the case in so far as the availability of serviced lots for individuals wishing to build homes is concerned. Even though the minister says there is a land assembly program in operation, it just does not work. It is not making land available at cost or slightly above cost. The demand is still for higher than the supply at the present time. So I really wonder whether the minister is serious about his land assembly program. He seems to be quite satisfied to sit back and do nothing more. It seems more like political window-dressing.

Another aspect of the housing problem which is contributing to the high cost of housing is financing. Over the past decade we have seen varying rates of interest. In 1966-67 the rate was around 6 per cent. At that time, and with that kind of interest rate, there was no undue inflation. The financial institutions seemed to survive and did not fold up because of the low interest rate. Things seemed to go along pretty well. Now, however, the Minister of Finance (Mr. Turner) tells us it is impossible to do anything about interest rates which are in the vicinity of 10 per cent and 11 per cent.

The present interest rates are a crushing burden on any home owner. It is almost impossible for most individuals to consider owning a home because of this burden. I think the fact that the minister continually refuses to consider taking action to lower the interest rate suggests that the Liberal Party is subject to a good deal of pressure from various financial institutions. It could be that they are sharing the pot. I do not know for sure, but this is a possibility and perhaps it is why they are not willing to take the kind of action necessary to reduce interest rates to a reasonable level.

Another thing which could be done with regard to the financial market is to ensure that a larger percentage of the funds available is allocated to single family housing. I think this would be a step in the right direction. An additional factor in the high cost of housing is building materials. In the past year or so there have been rapid increases in the cost of building materials. Builders in some cases will not even quote a price on a house before it is built because they do not know from day to day what will be the cost of the materials necessary to construct the house.

Inflation has been so rampant in the area of building materials that something must be done quickly. We should ensure an adequate supply of building materials. There are various ways to do this, including reduction of exports and increased production. Another method is the removal of the sales tax on building materials. The Liberal way is to tax everything to death, but I think at this point the Conservative way would be better; that is, remove this tax and give people a chance to have a breather so far as building materials costs are concerned.

Then there is the cost of labour. I believe it would be appropriate at this point to compliment labour, including the labour unions which I think have shown, in the face of absolutely uncontrolled inflation, a good deal of restraint in not seeking unusually high wage settlements and by continuing to do their jobs. Therefore, labour is not the most serious aspect in respect of housing costs at this time.

It may be that the most important thing we could consider in relation to housing is the quality of life which is provided by the various housing programs in the country. Research seems to have shown that the aim we must have is that every individual or family which wishes to have a home should be able to own a private, single-family dwelling as opposed to the various multiple dwellings now available. It is not necessary for me to go into the various advantages of this apart from saying there is no structure which leads an individual family to feel more at home and enjoy privacy than the single-family dwelling.

Perhaps there has been too much of a trend in recent days toward townhouses, condominiums and dwellings of that nature. No doubt this is a reaction to the shortage of houses—a reaction to a crisis. In its reaction to this crisis, the government does not seem to have given any thought to the quality of life actually produced by this type of multiple housing. So when looking at the housing situation we should not simply look at it in terms of numbers but also in terms of the kind of housing starts we produce.

● (2150)

If we look around Ottawa we see hundreds upon hundreds of townhouse structures. Just imagine what those places will look like 30 years from now. My prediction is that they are slums of the future. We have not learned from past experience of crowding too many people into small areas for the sake of expediency at present. It is true that when these units are new, they are attractive and fairly pleasant, but I know they are not what Canadian families want and the danger is great that in 20 or 30 years' time they will simply be slums with which a future government will have to cope. So I would like to see a trend away from building these townhouses and con-

dominiums that are now spotting the urban environment a little too frequently.

One of the other things I wanted to speak about was land development and the type of lots that are made available to people today. Almost all the new developments in the major cities of Canada consist of building lots without any back lanes. When we consider the quality of life about which we are so concerned, this is a serious omission, for several reasons. One of them is that children are forced to play in the streets if they want space to run outside the boundaries of their own lot. The other reason is that lack of a back lane leads to a highly unsatisfactory sanitary arrangement because there is no room for the storage of garbage and people are forced to store it inside their garages or their basements where it attracts flies to the building. They take it out to the front of the lot once a week and in the summertime when it attracts flies, this is very unsatisfactory.

The other thing that makes lots without back lanes not very useful is the fact that there is no access to the back yard for machinery. If an individual who owns the house wants to get into the back yard to put in a swimming pool, plant a tree, etc., he cannot do so because houses are built too close together and there is no access to the back. For these various reasons I think the national building policy should encourage communities to return to the old system of subdividing lots with the inclusion of back lanes or at least the inclusion of a 20-foot strip of publicly-owned land which is not fenced and which would provide a playground or access to backyards.

I have been told that part of the reason for building subdivisions with no back lanes is that we have too many European planners coming into the country who are accustomed to planning in conditions where there is a severe shortage of land, so they try to get the maximum use out of each acre, and the maximum number of lots. The other possibility is that we are leaving this planning too much in the hands of developers who, because of the profit motive, are interested in getting the maximum number of lots out of each acre of land which they are servicing. Whatever the case may be, I consider this to be a very unhealthy trend which will lead to a reduction in the quality of life that people enjoy in our new neighbourhoods.

Finally, I want to say that Canadians should realize that what has happened in the housing market in Canada did not happen by accident. It happened as a result of 11 years of Liberal policies.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him by Standing Order has expired. He can continue with unanimous consent. Is this agreed?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Deputy Speaker: I hear a "no".

Mr. Harry Olaussen (Coast Chilcotin): Mr. Speaker, in the very short time allotted to me I would like to point out some aspects of the housing situation as it exists in this country and particularly as it exists in my riding. In my constituency the needs are not restricted to the urban areas where I am concerned with the increased cost of housing and land and a steady rise in population, adding a further strain to the existing difficulties. They are also felt in the rural areas where the government has done little or nothing in the past.

It is time that some interest was shown in order to bring adequate housing to those who have been cut off from the benefits of an urban society. Rural housing must be supported with generous rehabilitation loans and grants made available to co-operative and non-profit housing groups as well as low income families. CMHC rules as applied to rural housing must be made flexible to accommodate those who can least afford to comply with the standards necessary in order to qualify for financial assistance. CMHC policy toward the Indian people must also be made as flexible as possible because these are the people who deserve as much support as is possible in the field of housing. Inadequate housing and lack of concern in the past has contributed to poor and unsanitary housing conditions that are so obvious to those who have the responsibility of dealing with such conditions.

The federal government, with the support of the Conservatives, passed the residential mortgage financing act which was Bill C-135. This was supposed to provide the necessary funds for mortgage investments and supplement Bill C-133. However, that act meant that the supply and control of mortgage funds for residential housing will be determined by the free play of market forces. It will not ensure the availability of adequate mortgage funds for new and existing dwellings in rural areas as there is no provision for compulsory allocation of funds in these areas. It will not provide special housing for Indian people or those on low incomes. It is simply a means of attracting capital to an area where a good profit can be realized at the expense of the home buyer.

Therefore, it is important for the government to take the necessary steps and to assume responsibility for ensuring an adequate supply of mortgage funds at low interest rates, to determine housing requirements together with the provinces, and to set annual targets and obtain firm commitments from financial institutions to meet housing needs in this country. There is no excuse for inaction in an area of the Canadian economy where adequate shelter for all Canadians must be the primary objective of the federal government.

Mr. Deputy Speaker: Order, please. It being 10 p.m., proceedings on the motion being debated today are deemed to have been concluded pursuant to section 11 of Standing Order 58.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PUBLIC SERVICE—REGIONAL PAY DIFFERENTIALS—REQUEST FOR ACTION TO CORRECT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, in his always kindly way, the venerable President of the Treasury Board (Mr. Drury) said that my question on March 15 relating to regional pay inequalities in Canada was based on lack of knowledge. If he said so, then of course that must be the case because, after all, he is the head of the Treasury Board and his attitude on all matters relating to his department is above reproach. Or is it? Well, I may not have the learned gentleman's knowledge, but what I do have is some appreciation of what constitutes fair play and equity so far as his pay policies are concerned. So once more, as so many members of my party have done in the past, I want to bring to the attention of this House the inequitable and regressive attitude exhibited by this government toward the concept of equal pay for equal work for employees under Treasury Board jurisdiction.

● (2200)

The President of the Treasury Board has taken a militant and unprogressive stand in support of an entirely indefensible position. One might say that he, in his neanderthal way, has redoubled his efforts in this regard having lost sight of his objectives, which surely should be to do away, on a gradual basis, with the situation that exists in this country whereby employees under Treasury Board jurisdiction, whether they are nurses in New Brunswick or shipyard workers in Nova Scotia, are paid differently than their counterparts in other areas of Canada.

It is not realistic to bring about an absolute removal of wage disparity all across Canada at once because of the sudden disruption this could cause in a number of trades where economies of scale are at play. However, there is no doubt that our national economy can accept the philosophy of equal pay for equal work, which should be carried out in two basic steps. One step is immediate acceptance of equal pay increases so that disparity is not further increased. The second would be to commence immediately reduction of the existing differential so that it can be eliminated over a period of time.

I and others in my party have put on record the great differentials in pay with regard to nurses under federal jurisdiction. I am sure it is well known that the bitterness that these nurses felt, and still feel, has caused a considerable amount of justifiable concern to their representatives such as Mr. Phythian, Mr. Spruin and others in the Professional Institute of the Public Service of Canada who worked so hard on their behalf in trying to have the arbitral award dated October 16 of last year reviewed. The President of the Treasury Board, of course, resisted any such action.

The nurses' situation is deplorable, but there are many others; for example dockyard workers who suffer from the same sort of illogical disparity. Let us look at the status of dockyard employees in Canada under the existing agreement between the Treasury Board and the Federal Government Dockyards Trades and Labour Council, which expires on March 23 of next year. The differential in wages paid to dockyard workers in Nova Scotia and British Columbia, or to be more precise in Halifax and Esquimalt, is very substantial indeed, yet the cost of living in these two cities is practically identical.

The contract rate for machine-tending at level 3 is $4.31 at Halifax, and $5.03 at Esquimalt. A classification in which the federal government should be very interested in a sense, since its members are so very good at it, is that of manipulators. For manipulating, at Halifax the rate is $4.92, and at Esquimalt $5.56. There are greater differentials existing than the ones I have cited.

It is a very ironic situation which finds that in those parts of Canada which suffer most from unemployment, inflation and various other economic maladies, workers receive considerably less wages than workers in the more prosperous parts of the nation, both doing exactly the same work. While the President of the Treasury Board attempts to explain the validity and the equity of his position with regard to the foregoing, Mr. Speaker, perhaps at the same time he will explain why he and his government are permitting the federal civil service to expand by another 13,000 employees and why projected government spending for the year starting April 1, 1974, is up so dramatically.

He should also keep in mind that the estimates are double what they were six years ago and four times what they were ten years ago. Yet this minister said on CTV "Question Period," if I am quoting him correctly, that so far as the main estimates were concerned, the government's purchases of goods and services other than transfer payments are substantially the same in the current year as they were last year.

In spite of that, the President of the Treasury Board refuses, in the midst of all these expenditures such as $750 million to be paid to outside consultants to the civil service, which itself is costing the nation in excess of $4 billion, to allocate funds to correct this very inequitable pay policy which goes straight to the heart of regional inequality and basic fairness so far as working people are concerned. I doubt if he could get one provincial premier to support the stand he takes in this regard. But of course the government has never been too concerned about what the provinces think. When we look around this chamber and see the representation that the government has from most of the provinces in Canada, the results of its attitude are plain to see.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I apologize for not being here at ten o'clock when the adjournment debate started. I was detained by the miscellaneous estimates committee which was discussing the estimates of Treasury Board. The committee spent some time discussing the reason for the substantial difference between the total estimates the federal government sought from parliament ten years ago and those of today. I will not endeavour, in the space of three minutes, to repeat what I said in a somewhat longer period before the committee, but I suggest that if the hon. member refers to the minutes of that committee meeting he will find that I have not been wasting my time.

I find that the hon. gentleman is inconsistent. He complains about increases in expenditures by the public service on public servants, indicating that there is a distinct lack of care for the taxpayer's pocket, yet at the same time

he accuses the government of niggardliness in not giving effect to the dogma of equal pay for equal work anywhere in Canada. I have endeavoured to explain to the House on earlier occasions that the government believes it is the government's duty to taxpayers to provide an efficient public service, that is, a service to the public and an efficient one, which means one that is not wasteful of the taxpayers' resources and is performing effectively the duties placed upon it in satisfying taxpayers' needs and demands.

In the case of regional pay policy, the government for years has taken the position that it will not be a leader in matters of pay and salary but will follow the pattern set by what is generally known in this country as the private sector. Given the choice of trying to equate the pay of the public service to that of the private sector on a national level or on a regional level, the government must, for common sense reasons, use a regional basis.

The hon. member for Central Nova (Mr. MacKay), I am quite sure, commends the recognition by the government that there are regional disparities, that different regions of Canada should receive even from the federal government different treatment, and that the purpose of the federal government in its employment policies is to produce the least possible regional disparity or dislocation. As a consequence, where there are large groups of employees in a region whose mobility from region to region is either very limited or non-existent, an endeavour is made to equate—

Mr. Deputy Speaker: Order, please. I regret to interrupt the minister, but his allotted time has expired.

ADMINISTRATION OF JUSTICE—ENFORCEMENT OF MAINTENANCE ORDERS ISSUED BY FAMILY COURTS—RECOMMENDATION OF LAW REFORM COMMISSION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my remarks tonight will be short and to the point. On March 11, as recorded at page 353 of *Hansard*, I asked the following question in the House:

In light of the fact that 75 per cent of all family maintenance orders made by Canadian family courts against deserting husbands are defaulted, and in light of the fact these defaults cost Canadian taxpayers $365 million annually—

I am sure that in Manitoba the loss amounts to $10 million annually of which only a small percentage is recovered.

—does the minister intend to adopt through legislation the recommendation of the Law Reform Commission which would give family courts an investigative and enforcement apparatus to track down elusive fathers, thereby assuring compliance with any maintenance order issued?

As could have been expected, the so-called answer I received was in fact a non-answer. The Minister of National Health and Welfare (Mr. Lalonde) whose jurisdiction in this matter is only partial, said something to the effect that the federal government will be discussing this matter with the provinces. The problem, however, is that this is a matter of utmost urgency.

As things now stand, a court order to a man for maintaining financially the family he has abandoned is often worth no more than the paper it is written on. While the divorce law is federal, the laws that govern other aspects

[Mr. Drury.]

of marital break-up, maintenance, child support and property rights continue to vary as provincial responsibilities under the BNA Act. These responsibilities, though, are seldom enforced by the provincial courts: they leave that job to the deserted mother.

● (2210)

The federal government must act through whatever means possible to ensure that the job of tracking down deserting fathers is not left to deserted mothers. Presently, a deserted mother not only has to track down her spouse but has also has to keep returning to court for new maintenance orders if he defaults. As well, she has to hire a lawyer if he refuses to comply.

At present it is believed that about half the number of children entitled by court order to receive financial support from their father do not receive a cent. This is indeed an injustice. Under the reciprocal enforcement of maintenance orders, any provincial maintenance order affecting persons outside the province lacks force until it has been confirmed in a court in another province or country. An Ontario court, for instance, can order maintenance, but if the husband moves to Alberta he does not have to pay until the order has been reconfirmed through an Alberta court. Upon being contracted by an enforcement agency, a delinquent husband must either make a payment or a show cause summons will be issued. If he ignores this summons, the court seldom acts, though in rare cases if he is still around and refuses to pay he may be arrested and jailed.

Considering this disastrous state of affairs with regard to family law in Canada, the recommendations of the Law Reform Commission of Canada are most welcome and should be implemented immediately. Basically, the commission would give the family courts an investigative and enforcement apparatus to track down elusive fathers, inquire into their finances and advise the courts on how much they could pay and, by methods unspecified, "ensure due compliance with any maintenance order issued". The commission also implies that in cases of default it would favour having the courts themselves pay all moneys to the family awarded in a maintenance order, with the money coming either from the father or provincial welfare funds. The commission does not discuss methods of enforcement but these can be worked out on consultation.

The commission's major recommendation is that all matters of family law should be gathered together under one court. As the commission points out, it makes sense that the judge who grants a divorce should also deal with the division of marital property, child custody, access to the child by the parent who does not have custody, and the welfare and maintenance of the child. However, as was mentioned, the constitution presents a barrier for it splits responsibility for these matters between the federal and provincial governments and, therefore, the same case is handled by different judges and different courts. It seems obvious that the commission's recommendations should be adopted.

In conclusion, I am hopeful that the federal-provincial discussions concerning the commission's recommendations will be a starting point for these much needed changes.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I should like to thank my hon. friend for bringing to our attention such an important matter, which is interesting not only from the legal point of view, but also because of the human factor.

I note that my colleague has seen the conclusions of the Law Reform Commission working paper. I think we agree that the matter should be studied immediately, promptly and efficiently.

[*English*]

The study paper on family courts issued by the Law Reform Commission of Canada a short time ago, in which it was proposed that family courts be given more effective means to enforce maintenance orders against elusive spouses, is merely a study paper and these proposals are not at this stage recommendations of the Law Reform Commission. The Law Reform Commission will be making recommendations on the subject of family courts in due course. This report may or may not endorse the proposal advanced in the study paper.

If the proposal is recommended by the Law Reform Commission, it will be discussed with the appropriate provincial authorities since the matter of enforcing maintenance orders is one which lies within provincial jurisdiction. The proposal advanced in the study paper, if endorsed by the Law Reform Commission, is one which might profitably be explored through the medium of the Conference of Uniformity Commissioners on Legislation in Canada which meets annually to examine ways and means of achieving uniformity in laws throughout the various jurisdictions.

[*Translation*]

I can assure my hon. friend that this matter interests me personally, as well as the department which I am representing tonight because I admit that it is time to truly deal with these problems unrestricted by jurisdictions which are necessary, but must not have priority over the population and the serious and important problems that my hon. friend has described and that I promise to refer to the minister. I also promise to give them particular attention myself.

Motion agreed to and the House adjourned at 10.22 p.m.

HOUSE OF COMMONS

Tuesday, March 26, 1974

The House met at 2 p.m.

HOUSE OF COMMONS

TRIBUTES TO RIGHT HON. MEMBER FOR PRINCE ALBERT ON THIRTY-FOURTH ANNIVERSARY OF ELECTION TO PARLIAMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to draw the attention of the House to a very agreeable event. Today is the thirty-fourth anniversary of the election to parliament of the right hon. member for Prince Albert.

Some hon. Members: Hear, hear!

Mr. Stanfield: Being a member of this House for 34 years is in itself a tremendous service to the country. But I rise today not simply to speak of the length of the right hon. member's parliamentary service nor to dwell on his accomplishments during those 34 years, although I would like to emphasize that he continues today, as he has during the years, to be a vigorous, eloquent and effective champion of the rights of Canadians, the rights of the dog, the rights of the underdog—

Some hon. Members: Oh, oh!

Mr. Stanfield: That was a bit of a Freudian slip, recognizing the fondness of the right hon. gentleman for his dog. But I do wish to congratulate the right hon. gentleman who continues to express himself so effectively and non-controversially in this House.

Some hon. Members: Oh, oh!

Mr. Stanfield: He is the dean of the House in terms of length of service and, I think we can all agree, the dean of the House in terms of parliamentary skill—a continuing example for all of us of an effective and able parliamentarian.

Some hon. Members: Hear, hear!

Mr. Stanfield: I simply wish to take this occasion to express personally and on behalf of the members of this caucus, and, I am sure, of members in all parts of the House, our congratulations and very good wishes to the right hon. member for Prince Albert on this auspicious occasion.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I be permitted on behalf of all of us in the New Democratic Party to join in these warm felicitations to the right hon. member for Prince Albert. Some of us remember very well the day that he was first elected. I was defeated on that day by one John Turner. However, he was not Minister of Finance and within a few years he was dead.

● (1410)

I should like to underline what the Leader of the Opposition (Mr. Stanfield) has said about the contribution of the right hon. member in having been here these 34 years and also to underline what was said about the contribution he has made in particular fields, notably in the defence of civil liberties and fundamental human rights.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I was about to say that we are sorry that his wife, Olive, is not in the gallery, but I see she is behind a post.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): We are sorry that she has had a bit of illness to cope with in recent months. We hope she is making good progress and we wish to Olive and John the very best.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, on behalf of all my colleagues and on my own behalf, I am very happy to join all hon. members in congratulating the right hon. member for Prince Albert (Mr. Diefenbaker). Mr. Speaker, I should particularly like to emphasize the right hon. member's integrity and his important role in Canadian politics.

It has often been said that he was not understood in Quebec or that he did not understand Quebec, but I know that since the time when this was said, even Quebecers have come to recognize in Mr. Diefenbaker one of the greatest politicians of Canada, a man full of vigour and energy whose example we should all follow.

I should like to add that the first time I voted in a federal election, in 1957, I voted for this great Canadian.

[*English*]

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, as the senior member of this party in terms of date of election to the House of Commons I should like to associate myself and the members of the government party with the words that have been expressed so well by the Leader of the Opposition (Mr. Stanfield). As the member of this party with the longest service I certainly have no intention of emulating the record of the right hon. gentleman from Prince Albert (Mr. Diefenbaker), and I am sure that the Leader of the

Opposition will attempt to co-operate with me in achieving that objective.

Mr. Stanfield: I am willing.

Mr. MacEachen: Mr. Speaker, may I say that the applause that came from this side when the Leader of the Opposition expressed his sentiments with respect to the right hon. member for Prince Albert is eloquent testimony to the esteem in which he is held on this side of the House.

Some hon. Members: Hear, hear!

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I thank the Leader of the Opposition (Mr. Stanfield) and others who have spoken for their all too generous words. Coming from an oil province, I always like to make an effort to pour oil on anything of a controversial nature, and I will continue to do so in the hope that the Prime Minister (Mr. Trudeau) in his discussions with the premiers this week will be able to make that oil available to all of Canada.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Thirty-four years is a long while. Not a day passes in this institution that I do not learn something concerning the greatness of parliament. It is hard to express oneself under these circumstances because there is nothing a member can desire more than to be regarded by all, without regard to party, as one dedicated to the House of Commons.

Mention was made by the hon. member for Winnipeg North Centre (Mr. Knowles) of another John Turner. I recall very well that in those days Shakespeare and the classics were regularly drawn upon by members as they spoke. One evening there was a great argument about what Shakespeare had said and had not said, and that John Turner from Manitoba arose and said: "I really have never made very much of a study of Shakespeare, except one line—to beer or not to beer, that is the question".

Some hon. Members: Hear, hear!

Mr. Diefenbaker: That evening he fully lived up to his remark about the alleged words of what he called "Mr. Shakespeare".

The older I become the more I have an affection for this institution and for its membership. We as Canadians can be proud of the fact, not unctuous in our declaration, that this country has not seen anything like what has happened under another system of government in a country for which we have so much regard.

The hon. member who spoke for the Social Credit Party I must say began right in 1957. At my age one does not look ahead; one lives from day to day.

I conclude my expression of deep appreciation to the members of this House not with a warning but simply with the illustration that others have served far longer. Sir Wilfrid Laurier served for 47 years and Sir John A. Macdonald for 48 years, which of course included a long period in the parliament of Upper and Lower Canada. Therein I see an objective.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: To all of you from the bottom of my heart I express my deepest appreciation. I thank the government House leader for his all too kind words. Both of us have been here a long while, and my expectation is that each of us will endeavour to continue.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

First report, in both official languages, of Standing Committee on Miscellaneous Private Bills and Standing Orders—Mr. Duquet.

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

* * *

[*English*]

VETERANS LAND ACT

ANNOUNCEMENT OF EXTENSION OF DEADLINE FOR EXPIRY TO MARCH 31, 1975

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I wish to make a statement with regard to the Veterans Land Act. Hon. members are doubtless aware that in its present form the act provides that the director may not accept any application for a new establishment after March 31, 1974. This provision was inserted in the act by parliament nine years ago.

For many months I have been giving consideration to the question—

Some hon. Members: Oh, oh!

Mr. MacDonald (Cardigan): —whether the act ought to be further extended. On March 12, I undertook to review the matter again. I have done so, and I now wish to announce that the government will introduce a measure to extend the operation of the act for one year to March 31, 1975, to enable any qualified veterans who may have been caught by the present deadline to make their applications.

Some hon. Members: Hear, hear!

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, although I thank the minister for making this statement I must say I certainly cannot commend or congratulate him on the very narrow concession he has made to the veterans. It just indicates that there is a complete lack of compassion on the part of the government—

Some hon. Members: Oh, oh!

An hon. Member: All they are doing is playing politics.

Mr. Marshall: —when they only offer this narrow concession in response to our motion. It is very evident that the government does not understand the needs of the veterans in only extending the Veterans Land Act for one year. There are still hundreds of thousands of veterans whose attempts to build under the Act by acquiring a loan have been stultified because the loan ceiling is not high enough. It is possible to obtain only $15,000. They cannot build because it is impossible to buy a half acre lot for $15,000 less 20 per cent. Those veterans who did not get a certificate by October, 1968, are still denied the opportunity to do so.

I had hoped, as I am sure all hon. members did, that the minister would have done what all veterans want, namely, introduced legislation to repeal section 31 of the act, to raise mortgage loan ceilings and reduce the minimum lot requirement commensurate with today's increased costs. However, the government is not doing that and there is no way in which we can accept the proposed legislation without action being taken on these other matters. Otherwise, there is no point in extending the Veterans Land Act. We reserve the right to amend the legislation when it is introduced to insert a provision that renewal will take place 90 days before the expiration of the deadline on March 31, 1975.

Last Wednesday the minister indicated at the committee meeting, as he indicated to the press, that the government would have to raise the loan ceilings and reduce the minimum lot requirement. I can assure hon. members—this was confirmed by the administrator of the Veterans Land Act in the committee last Wednesday—that the veterans land administration will be in existence until the year 2000 because they will have to handle cases until then at least. They now have a backlog of 1,240 cases.

Accounts are being repaid at a rate of $69 million a year and of that amount some $26 million is interest. So the fund is self-sustaining and is not costing the taxpayer any undue additional amount. Why not show compassion and fulfil the commitment that has been in effect over the past 57 years? Why does the government have to break faith with the veterans who were promised that the veterans charter would be in existence as long as there was a veteran alive?

Some hon. Members: Hear, hear!

Mr. Marshall: I hope the hon. member for Winnipeg North Centre, who understands the problem, will support the stand of my party, and I know he will. If the legislation is introduced it will be accepted only under the following conditions: that renewal will be made 90 days before the expiration of the deadline, that section 31 will be repealed, that the loan ceilings will be increased commensurate with today's increased costs, and that the minimum lot requirement will be amended so that it is commensurate with the needs of veterans who wish to live in cities.

I am surprised that the government does not show the compassion it should. I hope it will realize it has a duty to the veterans and will come up with legislation that will be acceptable and will give the justice to veterans that they deserve.

• (1430)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) I wish this announcement included more than it does. It is my view that any veteran who qualifies under the Veterans Land Act should be entitled to take advantage of that qualification as long as he lives. Therefore I hope this is only an interim extension to March 31, 1975.

I also agree that something must be done to protect the rights of those veterans who did not get their qualification certificates before October 31, 1968. There is also the question of the amount of money available as a loan under the act, and the problem of lowering the minimum lot requirements. These are other changes that should be made in this legislation.

Nevertheless, Mr. Speaker, the fact is that we now have a chance in this session of parliament to fight for these other things. The legislation forecast in this announcement will, I take it, be referred to the Standing Committee on Veterans Affairs after second reading where, as I say, we will have a chance to argue for these other improvements that we think should be made in the Veterans Land Act. As a result of this announcement the rights under this legislation will not die this coming Sunday. It gives us another year, a year in which a number of veterans will be able to get their loans, and a year in which we can continue the fight for a further extension. On that basis we welcome the announcement. We shall do our best to see that the legislation is dealt with expeditiously, bearing in mind our right in the standing committee to seek other improvements.

This announcement prompts me to say that I am proud that two weeks ago tonight we did not bring this parliament to an end.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Otherwise we would not now have this opportunity in this parliament to amend this legislation before March 31, 1974.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): By the same token, Mr. Speaker, any serious effort to bring this parliament to an end tonight would be a disservice to the veterans.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): We believe we should stay here to see this extension of the deadline enacted and to use the opportunity to win still further improvements.

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, we shall first allow the Liberals to rejoice for a little while, and then I shall proceed with my remarks.

Privilege, Mr. Stanbury

Mr. Speaker, I was very happy this afternoon to hear the hon. Minister of Veterans Affairs announce the extension of the time limit in the case of this act. I was especially happy because veterans from almost all over Canada had started complaining of our apparent lack of consideration for them.

As usual, the hon. minister is now faced with a money problem. As Social Crediters, we keep saying that human beings should not be compelled all the time to submit to money considerations. This is why I support the minister's decision to extent the time limit for this act.

I have before me a telegram which was sent to Mr. Caouette by one of my constituents concerning this matter:

Thanks a million for having asked government to extend application of act granting loans to veterans for housing construction. We understand from our information that loans will not be granted beyond March 30, 1974. Second World War veterans were never informed of this.

I draw this last sentence especially to the attention of the minister: this letter claims the veterans were never advised of this. I go back to my quotation:

We veterans ask that period be extended beyond said date. Wish to know all aspects of the matter. Millions of dollars of veterans' money lie dormant in government coffers. Why not have them benefit from this money instead of government distributing it as it sees fit. Veterans of Canadian Legion generally displeased.

Branch 53, Drummondville, Quebec.

I will now read you the postscript:

P.S. General malaise must be felt in all other branches of Canadian Legion throughout Canada.

The letter was signed by Dr. Maurice Laperrière of Drummondville.

That is to say, therefore, Mr. Speaker, that this matter stirred a general outcry throughout Canada and that the government should have the highest regard for those who carried arms to defend our country.

It is normal that Canada should better the fate of all who fought for the ideals we believe in.

That is why, Mr. Speaker, I am happy that, because of its minority situation, the government was forced to give the people more consideration.

* * *

[*English*]

PRIVILEGE

MR. STANBURY—CORRECTION OF ANSWER RESPECTING DEDUCTION OF PAYMENTS TO BABYSITTERS FROM INCOME

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, on a question of privilege I would like to correct and clarify information I gave yesterday in response to the hon. member for Saskatoon-Biggar (Mr. Gleave). I now understand that the form to which the hon. member referred is the child care expense schedule. I am advised that if this schedule contains basic information on parent, child and payee, the claimant's return and any refund are generally processed without delay, subject to any missing information being later requested and reassessment being possible if a claim cannot be substantiated.

[Mr. Boisvert.]

HOUSING

LOWER MAINLAND OF BRITISH COLUMBIA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the vacancy rate in the lower mainland of British Columbia is now less than one per cent, and whereas the government has not yet embarked upon a meaningful public housing program for the lower mainland, I move, seconded by the hon. member for Vancouver East (Mr. Neale):

That the Minister of State for Urban Affairs be directed to meet immediately with his British Columbia provincial counterpart with the view to providing immediate emergency housing to alleviate the present crisis situation.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

LABOUR RELATIONS

DISPUTE BETWEEN GREAT LAKES CARRIERS ASSOCIATION AND INTERNATIONAL SEAFARERS UNION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion on a matter of urgent and pressing necessity. In light of the current labour dispute between the Great Lakes Carriers Association and the Seafarers International Union of Canada, and in view of the danger that a protracted strike poses for the Canadian economy, I move, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

That this House direct the Minister of Labour, prior to contemplating any back to work legislation, to fulfil his responsibilities under Part III, section 32 of the Canada Labour Code, to ensure that the employers pay the statutory overtime rates of pay outstanding and due to the employees.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

HEALTH

INCIDENCE OF LUNG CANCER AMONG URANIUM WORKERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the extreme energy shortage being experienced throughout the world,

and because uranium more and more will become one of the chief sources of power, and because of the high rate of uranium induced lung cancer now being sustained by people who work in the uranium mines, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the Minister of Labour use the powers presently vested in him to eliminate the incidence of uranium lung cancer now affecting over 130 people working in the Elliot Lake area.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

ORAL QUESTION PERIOD

[*English*]

ENERGY

ATHABASCA TAR SANDS—GOVERNMENT POLICY RESPECTING DEVELOPMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister and ask him, in a specific instance, which minister is expressing government policy, the Minister of Supply and Services who continues to advocate at least consideration of a very rapid large-scale development of the Athabasca tar sands, or the Minister of Energy, Mines and Resources who has described this massive scheme of the Minister of Supply and Services as "not feasible for practical or political reasons"? Would the Prime Minister tell us which minister is expressing government policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I attempted to answer this question yesterday. I can only repeat the same lines of my answer of yesterday or the day before. This tar sands project as advocated by the Minister of Supply and Services is not part of the government's energy policy. Government energy policy has been enunciated by the Minister of Energy, Mines and Resources and by myself at various occasions. This other idea, as I told the House a couple of days ago, is one in which the minister has shown a great deal of personal interest. It is one in which I find an advantage in having him explore it further and discuss it with other people.

● (1440)

Mr. Stanfield: In view of the statements by the Prime Minister and, indeed, by the Minister of Supply and Services that the cabinet has not yet agreed to a policy on the tar sands—that is what the Minister of Supply and Services says and the Prime Minister seems to confirm it—and in view of the fact the Minister of Energy, Mines and Resources says, "Well, that is not correct", indicating that the government has adopted a policy on the tar sands and indicating that it is quite inconsistent with what is being said by the Minister of Supply and Services, are we to understand from the Prime Minister that the Minister of Energy, Mines and Resources is not correct when he suggests outside the House that the government has adopted already a policy with regard to the rate and scope of development of the tar sands?

Mr. Trudeau: Mr. Speaker, I really appreciate the interest shown by the Leader of the Opposition in the government's position on this matter.

An hon. Member: Don't blow so early in the day!

Mr. Trudeau: I want to reassure hon. members opposite that things are going all right in the cabinet. It is my judgment that the Minister of Supply and Services can continue to make these speeches and the Minister of Energy, Mines and Resources can state government policy. I understand the concern of the opposition, but it would be more helpful to me as leader of the government if they were, for instance, to give guidance on their position with regard to a fair price for oil to be given to Alberta. This is the problem we will be discussing tomorrow between first ministers. It would be nice if the opposition, rather than drawing a red herring across the path, were able to state their policy on oil before we meet the provinces tomorrow.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, talking about red herrings, I must say the hon. gentleman opposite is certainly a master of that art.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: May I put it to the Prime Minister very bluntly, Mr. Speaker. Is the Minister of Energy, Mines and Resources expressing government policy when he says that the plans being advocated by the Minister of Supply and Services are contrary to government policy? May I ask the Prime Minister how many government policies there are at the same time? Does the Minister of Energy, Mines and Resources speak for the government in terms of energy policy, including the tar sands, and are we entitled to accept his statement as to what constitutes the policy of the government in that area?

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I think the Leader of the Opposition read the words which are the answer to his own question. He read words from the Minister of Energy, Mines and Resources—

Some hon. Members: Oh, oh!

Mr. Trudeau: —the Minister of Supply and Services—

An hon. Member: Which one?

Mr. Trudeau: —indicating that there had been no policy decision by the government on the type of program of which he is the proponent—

An hon. Member: Would the real minister please stand up?

Mr. Trudeau: I really find it incredible—

An hon. Member: We do, too.

Mr. Trudeau: —that on the eve of a conference that is to decide the future oil and energy policy of this country, when we have, for instance, the premier of Ontario saying that a $6 price for oil is enough—

Some hon. Members: Oh, oh!

Mr. Trudeau: —and the premier of Alberta wanting more—

Some hon. Members: Order!

Mr. Trudeau: —that the Tories have no idea what it should be.

Mr. Speaker: Order, please. May we have order, please. I am not sure that we should continue this debate.

Some hon. Members: Oh, oh!

An hon. Member: Why not?

Mr. Speaker: Order please. It does not appear to the Chair to be—

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am not really sure what it is that hon. members are trying to accomplish by all this noise, but I would invite the hon. Leader of the Opposition, if he has a supplementary, to put it and then I will recognize the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Stanfield: Does the Prime Minister regard as trivial that the Minister of Energy, Mines and Resources says there is a policy with regard to the tar sands and the Prime Minister and the Minister of Supply and Services deny that this is so? Does he regard that as a trivial matter?

Mr. Trudeau: Mr. Speaker, what I do regard as trivial is the opposition hiding its head in the tar sands when it—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, yesterday in answer to a question on this subject by the hon. member for Trinity the Prime Minister said, as found on page 812 of *Hansard*:

> If the hon. member is asking whether that is a statement of government policy the answer is no, but if the hon. member is asking whether this is an idea which is being explored and looked at, certainly with my authorization, by the minister, the answer is yes.

Has the Prime Minister authorized the Minister of Supply and Services to investigate this proposal which was first advanced by Mr. Herman Kahn of the Hudson Institute? Is this not a subject which comes properly under the Minister of Energy, Mines and Resources, and why has the Minister of Supply and Services been asked to look into it when it does not come under his ministerial responsibility?

An hon. Member: He is the minister of trivia.

Mr. Trudeau: Mr. Speaker, I thought I had made this clear. I have authorized the minister to speak on this subject to any audience that wanted to listen. I have not gone out seeking audiences. The minister has received invitations—

An hon. Member: Which minister?

Mr. Trudeau: The Minister of Energy, Mines and Resources has received invitations—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: You are all mixed up.

Mr. Trudeau: The Minister of Energy, Mines and Resources has received invitations—

An hon. Member: We are talking about this poor fellow here.

Mr. Trudeau: He is speaking in Toronto today at a meeting which invited him to speak on the energy problem. The Minister of Supply and Services has received invitations to speak on other subjects. He has my authorization to speak on those subjects. I repeat to the NDP what I just said to the Tory Party. I find it passing strange that in the past month we have not had one serious question or suggestion from either opposition party on the very vital questions which are going to be decided tomorrow.

Mr. Douglas: Mr. Speaker, just taking time to say that the Prime Minister's statement is absolutely inaccurate with respect to this party, may I ask the Prime Minister this question. I am not asking him what invitations his ministers get. I am asking him about his own statement yesterday that he authorized the minister, and I use his own words, to "explore and look at" this matter. Is the government seriously exploring and looking at the proposition as stipulated by the Minister of Supply and Services that there ought to be some $20 billion borrowed to build plants at the rate of $1 billion apiece, that 30,000 Koreans be brought in for the purpose of building them, and that repayment be made in oil, thereby committing Canada to the export of $20 billion worth of oil? I ask the Prime Minister whether it is that kind of plan formulated by the Hudson Institute that he has authorized the minister to investigate?

● (1450)

Mr. Trudeau: Mr. Speaker, I repeat what I said earlier. The minister has my authorization.

Mr. Speaker: Order, please. The hon. member for Trinity and the hon. member for Prince Edward-Hastings will be recognized for supplementaries, but we will finish the first round of questioning and then return to the supplementaries on this subject.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR ADDITIONAL FUNDS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to put a question to the hon. Minister of Finance.

In view of the encouraging answer I received yesterday from the Minister of Finance about additional funds that would be made available to the Minister of Manpower for LIP projects and of the explanations the President of the Treasury Board gave the Committee on Miscellaneous Estimates last night, may I once again ask the minister if he has discussed the matter with the President of the Treasury Board and whether they agreed to allocate immediately more funds to the manpower minister for that purpose and, if so, when he will be able to make his decision known to the House?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have not yet had the opportunity of discussing the matter at length with my colleague, but I must add that there is never enough money to meet all the requirements.

Mr. Lambert (Bellechasse): I would like to ask a supplementary question, Mr. Speaker. Since the minister is giving us the real reason for the first time, I would ask him very earnestly the following question: which of the two came first, man or money?

Mr. Speaker: I think the hon. member's question is hypothetical.

* * *

[*English*]

ENERGY

ATHABASCA TAR SANDS—GOVERNMENT POLICY RESPECTING DEVELOPMENT

Hon. Paul Hellyer (Trinity): Mr. Speaker, I have a supplementary question for the Minister of Supply and Services. Will the minister tell the House whether his proposal for the development of the tar sands was well received by his audience in Calgary yesterday?

Mr. Speaker: Order, please.

Mr. Hellyer: Mr. Speaker, I rise on a point of order. I am sure the minister must have gone to Calgary yesterday at public expense. He was on time which was taken away from the House of Commons and therefore was on his public duties. Consequently, he has a responsibility to answer for his acts to the House. Perhaps Your Honour will allow me to ask a supplementary question of the Prime Minister.

Mr. Trudeau: What about the trip to your riding last week? Were you well received?

Mr. Speaker: Order, please. I am sure the hon. member with his experience will appreciate that the question as asked in the first instance is not in order. I would hope we could not get involved every day in asking ministers and other members whether speeches they made outside the House were well received or ill received by their audiences. That is hardly in order. I am certainly anxious to be fair to the hon. member and I will allow him not a supplementary to that question but another question.

Mr. Hellyer: My supplementary is to the Prime Minister. Has the moratorium that the Alberta government has placed on further exploration rights in regard to the tar sands any relation to the type of proposal that is being discussed publicly by the Minister of Supply and Services and others? Was this discussed by the Prime Minister when he had lunch with the premier of Alberta? Perhaps at the same time the Prime Minister could tell us if it is once again his policy, as it was during the foreign policy review, to play one of his ministers off against another in public?

Mr. Speaker: Order, please. That, of course, is not a question. That is debate.

Mr. Trudeau: You played yourself off against yourself.

Mr. Speaker: The hon. member for Calgary North.

Mr. Hellyer: Mr. Speaker, for generations in this country, as in other British parliamentary democracies, there has been a rule of cabinet solidarity. In the first year of the present Prime Minister's term in office he changed that rule and allowed ministers to speak publicly on different sides of an argument. Surely it is the right of this parliament and the Canadian people to know whether we have in this country at the present time a continuation of the principle of cabinet solidarity or whether in fact we have another principle—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will not prevent the right hon. Prime Minister from responding to the hon. member's point of order. If the hon. member will recall what he said, his question was, is it the policy of the Prime Minister to play one minister against another. That may not be exactly what he said but I am sure the hon. member, in fairness to the Chair, will admit that was the sense of it. The hon. member for Calgary North.

ATHABASCA TAR SANDS—SPEECH BY MINISTER OF SUPPLY AND SERVICES IN CALGARY—PRIOR APPROVAL BY PRIME MINISTER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to ask the Minister of Supply and Services whether he submitted the script of the speech he delivered in

Calgary to the Prime Minister and did the Prime Minister endorse the contents of that speech before the minister delivered it in Calgary?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I did not, of course, submit in detail all the contents of the speech. However, I find that in Calgary the people are more openminded than the people on the opposite side of the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Woolliams: Mr. Speaker, the minister is not going to play ducks and drakes with me. I asked the Minister of Supply and Services a simple question. Did he submit the contents of the speech he delivered in Calgary to the Prime Minister prior to delivery and did the Prime Minister endorse the contents?

Mr. Goyer: Mr. Speaker, I gave a very simple answer to a very simple question to a very simple mind. I hope the hon. member understood what I said.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member for Calgary North rises on a question of privilege. He will, of course, be recognized. But I am sure hon. members will want to go along with the Chair in that, after we have settled the question of privilege now going to be raised by the hon. member we should try to go to the next question.

Mr. Woolliams: Mr. Speaker, I would only quote one thing to the minister: "Oh wad some power to giftie gie us to see oursels as ithers see us!" The simple minister sitting over there is the former Solicitor General. His record speaks for itself throughout the country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: The right hon. member for Prince Albert.

Some hon. Members: Hear, hear!

● (1500)

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, it is not every day one receives applause twice. I wish to direct a question to the Minister of Supply and Services arising out of the question asked earlier relating to cabinet solidarity. Is he to be identified as the pea in the Prime Minister's shell game in this regard?

Mr. Goyer: Mr. Speaker, I thought the right hon. member knew nothing about cabinet solidarity until today.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Are you the pea? That is what I want to know.

Some hon. Members: We want George.

[Mr. Woolliams.]

Mr. Speaker: Order, please. The right hon. gentleman must be very happy that hon. members seems to be enjoying themselves so much on his anniversary.

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FINANCE

POSSIBLE INCREASE IN MORTGAGE INTEREST RATES—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance arising from a report in this morning's *Globe and Mail* that interest rates are scheduled to rise once more by one-quarter of one per cent, specifically, mortgage rates. This will have the effect of increasing the price of the average house by about $1,000. Can the minister tell us whether the government plans to take steps to prevent this increase as it pertains to mortgage rates?

Hon. John N. Turner (Minister of Finance): I have read that report. As yet, it is speculative, and I do not think I should like to comment at this stage.

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HOUSING

ASSISTED HOME OWNERSHIP PROGRAM—POSSIBLE MODIFICATION TO MAKE MORE EFFECTIVE IN LARGE CITIES

Mr. Edward Broadbent (Oshawa-Whitby): I have a supplementary question for the Minister of State for Urban Affairs, Mr. Speaker. Can the minister inform the House whether he has any plans to modify the AHOP program so that its provisions might become operative in the financial sense in the big cities? At the present time, as the minister knows, because of housing costs and the regulations which govern the present program it is, in effect, inoperative in the large cities.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I expect to have something to say on that subject in the speech I shall be making in the debate this afternoon which I think will interest the hon. member. In terms of tight markets such as Toronto and Vancouver, and in answer to the hon. member for New Westminster, may I say I have an appointment on Friday afternoon with the minister of housing of British Columbia.

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INDUSTRY

PAPER—ALLEGED SHORTAGE AND PRICE INCREASE—GOVERNMENT ACTION TO COUNTERACT

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce of which I gave him notice some time ago. I hope he remembers. What steps is the minister taking to ensure an adequate supply of paper at fair prices

to meet what has become a critical situation in the publishing trade because of supply shortages and high costs?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): We have met with representatives of the industry. I have met with the presidents of the leading companies and I believe the problem of supply has been largely settled in favour of the Canadian user.

Mr. Fairweather: Has the minister's attention been drawn to a report this morning to the effect that there is to be a 12 per cent increase in April in the cost of quality paper? If so, how does this fit in with the minister's somewhat optimistic reply?

Mr. Gillespie: That is a separate question, the question of price.

Mr. Fairweather: I asked about both.

Mr. Gillespie: The paper industry, like every other industry, has been faced with increasing costs, increased pulp costs especially in the case of the fine paper industry. This industry, historically, has operated on a very low profit level. One would hope that with a return to reasonable profit levels new investment will go forward.

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TRANSPORT

STUDY OF FEASIBILITY OF ARCTIC RAILWAY—AVAILABILITY TO MEMBERS AND PEOPLE OF NORTHERN TERRITORIES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Is it the intention of the government to have the result of the CN-CP study showing the feasibility of an Arctic railway referred to northerners through their elected members and also to the Standing Committee on Indian Affairs and Northern Development so that hon. members may assess the full implications of this proposal?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have not studied the report yet. I do not know if it has already been submitted. This report was asked by the Minister of Transport. I will discuss this matter with him and report to the hon. member.

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ENERGY

NATIONALIZATION OF BRINCO—FEDERAL GOVERNMENT POSITION

Mr. René Matte (Champlain): Mr. Speaker, I wish to ask a question of the right hon. Prime Minister.

Answering a question I asked him recently, the Prime Minister told me that the nationalization project of BRINCO by the government of Newfoundland was of no interest to the federal government. But yesterday, spokesmen for Newfoundland stated that the federal government was very interested indeed in this nationalization and that meetings have taken place between both levels of government on this subject. Therefore, I would like to ask the Prime Minister if he did meet the officials concerned on this matter and what the government position is regarding that project.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, both versions are acceptable, according to me. As far as I am concerned, I never tackled the subject with the premier of Newfoundland. I still maintain that such political decisions are to be taken by the provincial governments, whether we do or do not agree with them. On the other hand, there would be many consequences for the province if it acted that way, consequences of a financial, constitutional or other nature regarding federal-provincial relations and there may be some discussions on this subject. I even see some ministers who agree with me.

There have probably been discussions between the officials concerned, but certainly not at the government leaders level, and obviously not to ask for our consent or our veto.

* * *

[*English*]

HOUSING

INCREASE IN MORTGAGE INTEREST RATES—GOVERNMENT ACTION TO COMBAT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Prime Minister. As Canadian shelter costs have risen 42 per cent since the present government gained power, the highest increase in six years ever recorded, and in view of information from Statistics Canada that the index for shelter moved up .9 per cent in February due mainly to higher mortgage interest rates, would the Prime Minister reconsider his refusal in the House on September 11 last to order a roll-back of mortgage rates or at least prevent any increase in mortgage rates that may be forthcoming?

Right Hon. P. E. Trudeau (Prime Minister): If the question was seriously put, as I am sure it was, I have no doubt the questioner would wish to add words to his preamble to indicate that since our government came to power more houses have been started and built in Canada than in any other period of our history.

SUGGESTED RAISING OF CEILING ON NATIONAL HOUSING ACT LOANS—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Perhaps I might direct my supplementary question to the Minister of State for Urban Affairs. Inasmuch as the aggregate sale value of homes in the Toronto area has jumped by $10 billion since the Trudeau government came to power, an 80 per cent increase, would the minister tell us whether he intends to raise the $30,000 ceiling on NHA loans so that such financing may become more meaningful in our urban centres and thereby hopefully trigger lower interest rates, bearing

in mind that in Toronto alone it now costs $47,000 on average to buy a home that used to cost $26,000?

Hon. Ron Basford (Minister of State for Urban Affairs): I shall be speaking on that subject this afternoon. By way of a general answer, I may say that the levels of lending under the regulations are constantly under review, as are particular market situations.

Mr. Speaker: I think we have reached the point at which I must seek the co-operation of hon. members in limiting the number of supplementaries if we are to get more questions in before the end of the question period.

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INCOME TAX

POSSIBLE ALLOWANCE OF MORTGAGE INTEREST AS DEDUCTION FROM TAXABLE INCOME—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my further supplementary is directed to the Minister of Finance. Not only has the price of homes risen by 80 per cent in six years but interest rates have risen by 30 per cent since 1967 with the result that a $21,000 increase in the cost of a Toronto home involves an extra $10,000 to be paid as a result of higher interest rates. Would the minister indicate whether he intends to give some form of tax relief to home owners and tenants, and is he at least studying the possibility of allowing interest of mortgages and also municipal taxes as an expense against income before tax?

● (1510)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am studying all possibilities, but the hon. gentleman is bringing up a budgetary matter. I would draw to his attention that in the way he puts the question relief would be mainly to the wealthier classes in the country and would favour the home owner over the tenant.

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FINANCE

BASIS FOR ALLEGING CORPORATE TAX CUTS AND ACCELERATED DEPRECIATION INCREASED EMPLOYMENT IN MANUFACTURING INDUSTRY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that employment grew faster in the construction trade, real estate and several other sectors of our economy last year than it did in manufacturing, would the minister say what part of the increase in employment in manufacturing was due solely to the corporate tax concessions and what part was due to other factors in the economy?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that would be hard to gauge. I would merely say that it is more than a coincidence—and I put it to the House—that since the corporate tax concessions were proposed in the House and passed, as well as the accelerated depreciation allowances, there were last year 111,000 new jobs in manufacturing which, as I said yesterday, is 8,000 more than the previous six years put together.

[Mr. Stevens.]

Mr. Nystrom: The minister has again said that there were 111,000 new jobs created in manufacturing. How many of those jobs are due to the fact that there has been a corporate tax cut and a two year write-off, and how many are due to other inputs in the economy other than the corporate tax cuts? Is the minister studying the question, does he know, or is he simply forgetting about it?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. member just has to look at the cash flows available in the manufacturing industry and how those cash flows are being used in new capital investment to understand why the incentive was put on and how the incentive is being used.

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GRAIN

RESPONSIBILITY FOR ALLOCATION OF RAILWAY CARS—DECLARATION OF CERTAIN BRANCH LINES AS INOPERATIVE BECAUSE OF SNOW CONDITIONS

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. In view of the fact that during the past several months the railways in western Canada have been required to plow some quarter of a million miles of track in a futile attempt to move grain from snow-blocked lines, can the minister say who is responsible for ordering these trains? Is it the Canadian Wheat Board or the railways?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, within the committed number of cars that are available to the Canadian Wheat Board from the railways the block shipping system, which is an organization that includes the direction of the Canadian Wheat Board and represents the operating arm of the railways, allocates cars to particular blocks week by week, and then the cars within the blocks are allocated by specific elevator companies.

Mr. Hamilton (Swift Current-Maple Creek): Have the railways at this late date been allowed to declare certain lines inoperative until track conditions improve? If so, why has it taken so long to declare some of these lines inoperative?

Mr. Lang: Mr. Speaker, even at this stage there are bound to be serious complaints and concerns on the part of individual farmers who find lines closed. I am sure the hon. member's colleagues will in some cases criticize the government for that same reason. The railways did attempt to keep the main lines in the prairies open but they now find this is simply an impossible job in the remaining months. In the case of the CNR, they specifically indicated dates before which they do not expect to use cars on particular lines. I expect that the CPR, which has less of a problem since there is less snow in the southern part of the prairies where its main operation is, may have to do something of the same. We are meeting in a variety

of committees to look at urgent measures that can be taken to use more fully the lines that are clear. Our objective is to move the grain on to the main lines, and then have the fastest possible turnaround of rail equipment in order to make up the hypothetical potential losses—

Mr. Speaker: Order, please.

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LABOUR RELATIONS

DISPUTE BETWEEN SEAFARERS' UNION AND LAKE CARRIERS ASSOCIATION—INTERVENTION BY MINISTER—SUGGESTED VOLUNTARY ARBITRATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a question to the Minister of Labour. It appears from a question asked previously by the NDP that the minister is now thinking about introducing back to work legislation. We have not had a report from the minister, and since April 1 is the deadline would the minister advise what is the situation at the present time and whether he still believes it is a little premature to make a personal intervention?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would advise the House that I have been in discussion with the parties to this dispute, both directly and indirectly, in an effort to try to resolve it. It is a difficult situation. I am going to continue to intervene, along with the assistance of my officials, in an endeavour to try to resolve the dispute before April 1 if at all possible.

Mr. Alexander: For the last month or so the minister has been extolling the virtues of voluntary arbitration. Can the minister advise the House whether this suggestion has been put to the parties to the dispute and have they accepted it or what was their answer? If he has not done so, why has he not done so?

Mr. Munro (Hamilton East): Mr. Speaker, the question of voluntary arbitration in the context which I have been advancing for some months is with particular reference to the railway unions. Their collective agreement does not expire till the end of December and it was hoped that this would be a method by which we could avoid labour disputes in the future. With regard to the present situation, a dispute is already in progress. The collective agreement has been terminated and, technically speaking at least, there is a strike in operation. Whether the parties will agree to go back to work without a settlement, leaving the details of the settlement to voluntary arbitration, I would doubt.

[*Later:*]

Mr. Alexander: Mr. Speaker, I have a further supplementary question in view of the importance of this matter. The minister made an assumption that the parties to the dispute would not go along with voluntary arbitration. Would the minister give the House an assurance that he will take this matter up with the parties so that he can have a definite answer yes or no whether they find this new and unique procedure acceptable, keeping in mind the extreme urgency of the situation?

Mr. Munro (Hamilton East): Mr. Speaker, I am aware of the extreme urgency of the situation, but it was not an assumption that led me to that conclusion. In view of the discussions that I have had with the parties involved, it is obvious to me that the parties would not be agreeable to voluntary arbitration, particularly one party to the dispute.

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FINANCE

SUGGESTED REMOVAL OF SALES TAX ON WATER MAIN MATERIALS—GOVERNMENT POSITION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct a question to the Minister of Finance. Having regard to the fact that many Canadian municipalities have experienced a substantial increase in population due to the installation of numerous municipal services, and noting that provincial governments—Ontario, for example—have waived the sales tax on water main materials, would the minister consider removal of the discriminatory payment of federal sales tax on water main materials for municipalities?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will take note of the hon. gentleman's representation, which has been echoed in several quarters of the House.

Mr. Speaker: Order, please. I have to bring to the attention of hon. members that we have now come to the end of the question period. The Chair will allow the hon. member for Parry Sound-Muskoka a supplementary and then we will call orders of the day.

Mr. Darling: Noting that many municipalities have approved a resolution calling for the exemption from the federal sales tax of water main materials, would the minister attend the meeting of the Ontario Municipal Water Association in Windsor from April 28 to May 1 in order to participate in constructive discussions regarding this matter?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have not been invited, but before I am it may be a little tough to make that meeting.

Urban Affairs

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—REPUDIATION OF GOVERNMENT'S URBAN DEMONSTRATION PROGRAM

Mr. Eldon M. Woolliams (Calgary North) moved:

That this House repudiates the government's $100 million urban demonstration program as a diversionary tactic and clearly ineffective to assist in solving the existing housing crisis and accordingly has no confidence in the government.

● (1520)

He said: Mr. Speaker, in order to give chronological order to this debate today I should like to remind the House that yesterday we moved the following motion for debate on that opposition day:

That this House do now consider the record, objectives and programs of the Ministry of State for Urban Affairs in light of the urgent needs of urban Canada.

As you know, Mr. Speaker, that was a non-voting motion. Speeches were made by hon. members of all parties, but in respect of that motion the House was not called upon to make a decision. That is a result of the implementation of the new rules which removed the consideration of supply from the House of Commons and gave sole jurisdiction over estimates to the committees. Under the new rules a certain number of days are assigned to opposition motions, some of which are non-voting and some of which are voted upon. In line with what we said yesterday, today we are going to zero in on the housing crisis in Canada. In order to put this motion in chronological order I should read it:

That this House repudiates the government's $100 million Urban Demonstration Program as a diversionary tactic and clearly ineffective to assist in solving the existing housing crisis and accordingly has no confidence in the government.

In this context I should like to emphasize the word "repudiate", and the phrase "diversionary tactic". This motion calls for a vote tonight. Under the old system, when the government asked for supply a motion such as this was debated for two days with a vote taken on the second day. With the system under which we operate today I think we must not only set out our programs as positive alternatives, which we have already done, if we are to be critical, as we have been in reference to the $100 million Urban Demonstration Program, but we must defend the taxpayers of Canada by pointing out the deficiencies of the government's programs.

One of the deficiencies of this program is that, not only is the government now to spend $54,794 per day for five years on another experiment or study, but it is using this as a diversionary tactic to cover up the ineffectiveness of the minister and the government in solving the existing housing crisis in Canada. When I refer to the housing crisis, I am referring to the price of housing, the price of serviced land, and the fact that only 5 per cent of the wage earners in most of our cities today are able to buy their own homes. The minister can talk all he wants about the number of housing starts, but statistics are not what the Canadian people are looking for; they are looking for

[Mr. Turner (Ottawa-Carleton).]

action so that they can afford to purchase shelter in accordance with their earnings, in this situation in which we have the highest level of inflation we have had for years.

An hon. Member: Amen.

Mr. Woolliams: I heard the hon. member for Davenport (Mr. Caccia) say: "Amen". Let me remind the House that yesterday the minister, in his usual manner, provided no solution at all to the ever-spiralling cost of serviced land or the ever-spiralling cost of housing. He offered no comfort to the wage earners or those people who find themselves on any type of fixed income. I think I speak clearly for my party in this regard when I say that we should not only speak in defence of the taxpayers of Canada, we should set forth positive programs designed to provide shelter at reasonable costs. We must make our suggestions match our needs.

For that reason we have moved the motion which appears today on the order paper and which you just read, Mr. Speaker. In this way we not only make our words work for the people of this country, we make our deeds work for them. We show the country just where we stand in respect of this government's program designed to solve the national housing crisis. We have moved this motion to zero in on this power spending program of the minister which definitely will not provide housing at a cost within the reach of the average income earner.

We repudiate the program of this government to spend another $100 million on another demonstration program. Yesterday I spoke about 18 studies which have been carried out in the last three years. Time does not permit me to outline them again. I suggest there have been hundreds of studies, yet we are supposed to spend another $100 million on another study of a problem in respect of which this government has been so irresponsible in its failure to find a solution. We repudiate this additional study by way of another urban demonstration program, just as we repudiate this government's irresponsibility in failing to face up to this national housing crisis. We will continue to fight this program, and we will again indicate today how we feel about this government's efforts to solve this crisis.

Yesterday we set out in no uncertain terms where we stand with reference to the government's housing policies. We have also set out clearly our policies in respect of this crisis in Canada. I was pleased to hear the minister yesterday quote with affection the Progressive Conservative housing policies. I can understand that these policies were a challenge to him as his policy is one wrapped up in statistics. He is using the old refrain we have heard over and over again. He has referred to the number of housing starts, 260,000 I think he said, but the Canadian people are not interested in statistics. I suggest they are interested in one thing, and that is homes they can afford to buy. That is the thing in which they are interested.

No amount of statistics in a white paper will solve this crisis. Yesterday we pointed out very clearly that our constitution places a responsibility on the federal government to become involved in housing programs. If that were not true there would be no job for this minister. If he does not have such a responsibility toward the Canadian people, then what is the function of the Central Mortgage

and Housing Corporation? We suggest that the constitution should be interpreted in such a way that the minister can work out with the provinces a program to expedite the development of serviced land at a reasonable cost. Confrontation with the provinces will not solve anything. We have seen confrontations between the Prime Minister (Mr. Trudeau) and the provinces in respect of various matters including energy, housing and freight rates. Such confrontations with the provinces will not lead to the solution of anything. I suggest that meaningful agreements and arrangements with the provinces will help to solve many of our problems.

Yesterday we talked about the establishment of a new and vigorous department of urban affairs, one as important as any other government department. We must remember that two-thirds of the population of Canada live in urban centres and that there are more people living in the cities of Montreal and Toronto than there are living in the whole of the province of Alberta, for example. Surely, when two-thirds of our people in Canada live in such concentration in large urban centres it is time for the government to face up to its responsibilities by setting up such a new department.

Yesterday we suggested that the government should repeal the 11 per cent sales tax on building materials, but the minister scoffed at the idea. We now have a government spending somewhere in the neighbourhood of $22 billion a year, and we must realize that this sales tax is not one that is calculated on the old tax base. A home that cost $25,000 in the days when Walter Gordon implemented that tax, today would cost $85,000 to build. That tax is not on the old base but is on the inflationary price. Is this fair and equitable to the people of Canada? I suggest that the government cannot hide from its responsibility because it is responsible for the domestic inflation.

● (1530)

What has really happened has been that this runaway inflation has turned essentials into luxuries. Food, clothing and housing which are essentials today are becoming luxuries because this government lacks any creative program to solve the problem.

The government cannot hide from its responsibility. Through its economic policies the government has contributed to the high cost of housing. The minister speaks of cutting the tax on commercial buildings and shopping centres. We are concerned about cutting the tax on homes. I would remind the minister, after that frivolous and loose argument, that shopping centres sell food, clothing and other essentials to the Canadian people, so when there is a tax on the building and equipment this added cost is passed on to the consumers who buy the food, clothing and so on. Surely the minister is not a naive man. He knows that these costs are all passed on to the consumer. A glib statement like that is no defence. In fact it only substantiates that his $100 million demonstration program is a diversionary tactic.

Let me illustrate what the word "diversion" means. If one should go to a pond where there are ducks with ducklings in the spring the mother duck, in a desire to divert your attention from the ducklings, acts as if she has a broken leg or a broken wing. That is what this $100 million program is designed to do. It is intended to divert the attention of the Canadian people from the high cost of homes and the inability of Canadians to buy them. You could call it a broken wing program. We set out yesterday that a proportion of municipal residential property taxes and interest on home mortgages should be deductible from a person's taxable income to give the purchaser of a home a little break. Goodness knows, surely today he has been squeezed and has suffered too long. We spoke about the interest rates. The whole program of the government must be examined.

We had the answer by the Prime Minister (Mr. Trudeau) today with reference to rolling back interest rates, so we know the situation in that regard. People can no longer afford to pay high interest rates. I dealt with this yesterday and shall not repeat it today. If other countries can encourage lending institutions to put a certain amount of money in mortgages at lower interest rates, surely we can do the same. If other countries can have a lower rate of interest, surely Canada can measure up.

The problem apparently is the result of two factors, the maximum qualifying limit of income and the maximum amount of gross income CMHC permits to be spent on housing. Central Mortgage and Housing Corporation will not approve a loan if a person must spend more than 25 per cent of his gross income for principal, interest and taxes. Thus the maximum price anyone can pay for a house under the plan is $26,000. This amount does not buy decent accommodation in any city, probably with one exception. Where can one buy a house today in Canada for $26,000? In some cities, as I indicated yesterday, such as Vancouver, Toronto and other large urban areas, there are lots worth $26,000. Yet yesterday the minister said these nice words:

> The government is doing everything it can to persuade provinces and municipalities to use the funds available in order to solve the housing problem and the problem with regard to price.

Since this minister took over, and the minister before him, what program has the Liberal government ever implemented to freeze the cost of housing or shelter in Canada? The minister says that he has this big pile of money ready. He says, "Come and get it". Does he suggest that any provinces or municipalities are resisting this money he has to offer? Ask the mayor of Calgary, the mayor of Vancouver, the mayor of Toronto or the mayor of Montreal. I have letters from these gentlemen. They will give you the answer with reference to the glib comments the minister made yesterday.

I agree with the statements made yesterday by many members. I wish to refer in particular to one, that of the hon. member for Oshawa-Whitby (Mr. Broadbent), when on March 13 he criticized the $100 million urban demonstration program. Since he spoke about this program, what this program is all about bears repeating so that the people of Canada can understand it. We find the following in the statement by the government:

> We need to develop innovative projects to show the effective working of new methods of house design and house construction; to demonstrate the feasibility of new, low energy urban systems; to illustrate new ways of getting the utmost value from scarce and expensive natural resources by recycling for multiple use; and to apply new technology . . .

This is the study. I repeat it is a study which is costing the taxpayers $100 million, almost $55,000 per day for five

years. In his speech as recorded at page 454 of *Hansard* the hon. member for Oshawa-Whitby had this to say:

> Mr. Speaker, the program announced by the government involves wrong spending at the wrong time and in a completely wrong area. The minister said in his statement that this is a 'demonstration program designed to foster projects that will find solutions to urban problems', and that it will also provide the foundation for Canada's participation in the 1976 United Nations Conference to be held, incidentally, in the city of Vancouver.
>
> The minister said he wants this conference to be known as Habitat 2000.

I wondered whether he meant the year. Then, the hon. member continues:

> I suggest in all seriousness that all this program is going to mean is $100 million down the drain, . . .

The New Democratic Party says this is $100 million down the drain and I agree with that statement 100 per cent.

> . . . of no help to people in meeting housing requirements in Canada.

I endorse 100 per cent that statement by the New Democratic Party. I wish to refer to another statement, one made by a very knowledgeable member to whom I listen on many occasions with reference to housing. This is what the hon. member for Broadview (Mr. Gilbert) had to say and I agree with his comments. This appears at page 820 of *Hansard* for March 25:

> For months we have seen housing costs, including cost of land, mortgage interest rates and building materials, reach their highest peak and, in fact, become the highest costing component in the cost of living index across this country.
>
> What has the Minister of State for Urban Affairs done, Mr. Speaker? He has done nothing. I looked at the Speech from the Throne but there was not one word about the housing problem in Canada.

Let me pause there for a few moments because of the words used by the hon. member for Broadview. Yesterday the minister spoke with great affection about the Speech from the Throne. It really did not say anything. The hon. member for Broadview continues:

> There was not one mention of bringing forth legislation to deal with the housing problem. All he has done has been to make a statement last week with regard to an urban demonstration program, spending, as my hon. friend from Calgary North has said, $100 million over a period of five years.

● (1540)

Then, he came to the great crunch. The NDP member made a statement which I endorse when he said:

> All these measures are like giving a starving elephant a peanut.

My answer to that is: what a big elephant and what a small peanut!

The minister spoke with great affection about the Speech from the Throne. The Liberals are fond of the word "rhetoric". Yesterday, every one of them used the word "rhetoric" as if they had just found it. It must have been the first time they found it in the dictionary. I want to give you an example of real rhetoric. I call as my witness the Speech from the Throne. Believe me, Mr. Speaker, this is what it said. There is only one small paragraph in the Speech from the Throne in reference to housing.

An hon. Member: And it's about sewers.

[Mr. Woolliams.]

Mr. Woolliams: I agree with the hon. member, it is all about sewers. This program will mean $100 million down the sewer, down the drain. This is what the Speech from the Throne said. They are tremendous words. It is true rhetoric, and it reads as follows:

> Provision of adequate shelter at reasonable prices in a satisfactory neighbourhood environment has been a continuing concern of the government,—

The people of Canada are not concerned about the concern of the government; they are concerned about action, about implementation of the program of the government. We know the government is sorry; we know they love power, and we know that their sympathy runs to the degree of power they want, and they want a whole lot of power. We know all that. The paragraph goes on:

> —and levels of funding to meet this objective are being reviewed.

Do you know, Mr. Speaker, what it is costing the Canadian people to review them? It is costing $100 million, $55,000 every day for five years for a review. The government says that they wish to defend the taxpayers of Canada with such a program. The ministers asked why we did not listen to the Speech from the Throne. The paragraph goes on to read:

> Substantial assistance to rural and native housing programs will also be proposed.

We had a statement on that and we found it to be another lot of rhetoric.

> The sewage assistance program will be revised—

Does that mean that sewers will be made larger, smaller or will be extended?

> —to make it more effective as a means to increase the supply of serviced land. The government will introduce measures to increase the protection available to consumers in the housing market.

It did not take me very long to sum that up. That is what the minister spoke about. It was all in the Speech from the Throne. Every day the cost of housing goes up. I can bring to your attention every day, as someone else in the House did, the cost of housing in some cities which has gone up by 30 per cent. Yesterday I spoke about a house which eight years ago cost $25,000 and now costs $85,000. Serviced land continues to increase in price. Yet, as the NDP said, we are pouring $100 million down the drain. That is why we repudiate the government and we repudiate this plan as being totally diversionary. It is a tactic on the part of the government to cover up something for which they have no solution, that is, galloping inflation. The necessities of men and women in Canada today have become luxuries, and this is caused by lack of control of domestic inflation. One of the top priorities should be to look after the essentials of the average man in Canada. Those essentials have now become luxuries.

Analysing what was said in the Speech from the Throne, one finds that the government has no solution for the national housing crisis and finds no way to ease the burden of the purchaser, of the average person on a small or fixed income. As you watch this government day by day, you find that it is paralyzed and unable to do anything; it is bankrupt of ideas. Do I need to say any more except to ask every member of the House to support this motion? I ask that every member of the House, wherever he may sit, to search his own conscience and to condemn

this spending of $100 million, and tonight by deed instead of words show the government of Canada that he stands with the people of Canada and the representatives of Canada in this House.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the motion before the House states, in the words of the hon. member who has just sat down, that the urban demonstration program and the supporting fund of $100 million that I announced some two weeks ago is a diversionary tactic. Having now listened to the hon. member twice in two days, which is almost too much, I can only say that we are having a motion on diversionary tactics written by an expert in diversion.

I regret very much the reaction of the hon. member and of other hon. members in the House to my announcement of two weeks ago. It may well have resulted from the timing of the announcement which could have been made on a much better day. It may have resulted from the nature of the announcement two weeks ago about the urban demonstration fund. However, the reason may be that the philosophy of the Official Opposition is to oppose change and to oppose innovation and improvement.

Some hon. Members: Oh, oh!

Mr. Basford: Their reaction may well be a deliberate misinterpretation of my statement two weeks ago, and I challenge the hon. member for Calgary North (Mr. Woolliams) to read that statement again and to clear up his own obvious and deliberate misconception about it.

Some hon. Members: Hear, hear!

Mr. Basford: Finally, I believe that there is a misunderstanding among some members of the House and some members of the media, based on an honest misconception of what the urban demonstration program and fund are expected to accomplish, and it is to that honest misunderstanding and misconception that I want to address my remarks today.

First, the demonstration program is not another research program. I state unequivocally here today that it is not a five year research binge, as the hon. member described it; it is not intended to fund research projects and it will not fund them. I believe the hon. member for Calgary North and also the hon. member for Oshawa-Whitby (Mr. Broadbent) were concerned that this was a research project. If the program and the fund were intended for such purposes they would not have had my support. I agree with what one hon. member said, that we have been researched to death in this country. Our urban problems call for action and not for further research. The demonstration program and fund are intended to support such action. They are for real projects with real answers to real problems.

Second, the demonstration program is not a study program, and I challenge the hon. member for Calgary North to find the word "study" in that statement or any other statement that has been issued in relation to the program. We have had an over abundance of urban studies in this country, I agree.

Mr. Hellyer: Hear, hear!

Mr. Basford: One of my problems—some of it contributed by the hon. member opposite who has just yelled "hear, hear"—is sifting through the various studies and the welters of paper in order to develop policies.

● (1550)

Third, Mr. Speaker, the demonstration program is not a gimmick, as the hon. member suggests, devised solely for the United Nations Conference on Human Settlements. Probably a few projects from the program will be advanced for this important international conference, but the goal of the program is Canadian projects which are solving real Canadian problems, or can be made to solve Canadian problems. The program is designed to benefit communities across Canada, regardless of size and regardless of location, on an equitable geographical basis.

Where the hon. member for Calgary North's absolute misconception is obviously apparent lies in the fact that the demonstration program is not a substitute, and is not put forward as a substitute for a housing program. The expenditure of $20 million in the fiscal year 1975, which does not start until next spring, or in 1976, 1977, 1978 or 1979 clearly would have no visible impact at all on our immediate housing needs.

Mr. Woolliams: Of course, it wouldn't.

Mr. Basford: The hon. member makes a great deal of that. This shows his total misconception of the objectives. For the opposition to suggest that we devote project funds of this scale to our housing needs would be laughable if it did not indicate a total lack of perception and understanding. This year in this country we will be spending over $6 billion on housing alone, apart from other urban matters such as transportation. The federal government's contribution to that expenditure will be about $1¼ billion. Those are actual federal dollars being spent in the calendar year 1974 for housing and related projects and programs.

As one newspaper, the *Globe and Mail*, commented editorially, it is time to use ideas that are on the table, to get good ideas off the shelf and implemented. That is the express purpose of this fund. It has been my experience, and the experience of others, that this country is full of good ideas to solve many urban problems, housing problems, transportation problems and others. But it takes an injection of government leadership and government cash to get those ideas and solutions off the table, to use the words of the *Globe and Mail*, and into operation, into bricks and mortar. That is what this program is for, and that is what the fund will finance. It will finance action on ideas, action to reduce costs, action on projects, action to make good ideas workable, action to put two or more ideas together into a better solution to urban problems, action to show new ways of doing things, or ways of adapting existing methods to new demands—in short, action to implement, in every region across Canada, solutions to the problems facing Canadian communities.

I admit to being surprised and disconcerted by the reaction which greeted my announcement of the demonstration program and its supporting fund, but not for the reasons advanced in the House by members of the Conservative party. This demonstration program, Mr. Speaker,

can be put to immediate, practical implementation in every region of the country, and in communities of every size. I reiterate that there are many programs, and many projects and ideas which can use the "lift-off"—a word coined by the present generation—that can be generated by this fund and this program.

For example, Mr. Speaker, I have visited the city of Vernon in British Columbia, as has the Leader of the Opposition (Mr. Stanfield), a city which has shown great leadership in developing a new way of removing not 90 per cent, not 95 per cent, not 98 per cent of the effluent from its sewer system flowing into the beautiful Okanagan water basin, but of removing 100 per cent, thereby producing a method of preserving in perpetuity the complete purity of that water. The city needs some financial support and I have committed support to it. I only hope that when the Leader of the Opposition goes to Vernon, for the fourth time this year, he will inform the mayor of Vernon that the Conservative party is opposed to that kind of project, to that kind of real work being done on an Okanagan problem.

We have talked a lot in this House about Metis and native housing, and about the need to solve the housing problems of those people. The hon. member ridiculed my statement the other day, my statement which was well received by the leaders of that group. One thing the native and Metis associations say in all their briefs is that they need financial support in the northern prairies, in Northern Ontario and in Northern British Columbia to build houses designed not for Toronto or Winnipeg, but houses suitable for the north, using local labour and local products.

Some hon. Members: Hear, hear!

Mr. Basford: I hope the Conservative party will point out to Tony Belcourt and the other native leaders that that party is opposed to their using this kind of program.

There are proposals for the complete redevelopment of many of the waterfront areas in Canada, for example of the waterfront in the city of Halifax. Without going into the details of the project or referring to private participation in that program and the roles of the various governments, may I say it seems to me that if we can take the heart of Halifax and redevelop that waterfront in a new and better way, then we should do it. We should give the project every possible encouragement and support. I only hope that the next time the Leader of the Opposition is in Halifax he will tell the mayor that he is opposed to that kind of approach to the problems in the city of Halifax, or for that matter in the city of Vancouver, where we have somewhat the same proposal in mind.

In my speech yesterday I talked about new methods of dealing with human waste disposal. I hope to have, in operation, in the city of Toronto by the end of 1974, not in some professor's laboratory but in a real building in the city of Toronto, one of these new methods which, if successful, as I am convinced it will be, could reduce the cost of a serviced lot in Metro Toronto, or anywhere else, by several thousands of dollars. Now, I am delighted to have it on the record that the Conservative party is opposed to seeking these kinds of solutions to our housing and urban problems.

[Mr. Basford.]

We have passed legislation in this House to provide government leadership and support for the repair and rehabilitation of older core areas in our cities and towns. This will require the imaginative use of that land. Municipal leaders all across the country have plans to go into these older areas and construct low density housing quarters in them. That is the kind of project that could be supported under the demonstration program, to show mayors and councils how to redevelop the older cores of their cities. But the Conservative party is opposed to that kind of approach.

The other day the hon. member for Oshawa-Whitby spoke to me about relocation of the airport in Oshawa and converting it into 600 acres of residential land. Yesterday I met with an Oshawa planner in Toronto and discussed this project with him. I have instructed my officials to look into this situation. There are transportation difficulties and financial difficulties but if we can solve them, and if by the use of imagination we can show how to relocate an airport and use that land for residential purposes, surely that is the kind of experimental project, the kind of innovative project we should be supporting. Therefore I hope for the support of the hon. member for Oshawa-Whitby to this kind of approach.

Each Canadian is the producer of one ton of garbage annually. Perhaps the figure is higher on the opposite side of the House. That amount is increasing year by year, and conventional land fill sites are being moved farther and farther outside city boundaries, to the disgust of city taxpayers and rural residents. The garbage can be pulverized and burned, which not only reduces it to a small residue but provides steam power which can be sold by municipalities. This is another demonstration project that needs to be considered. Hon. members opposite laughed at that suggestion but yesterday in the debate the same suggestion came from the hon. member for Parry Sound-Muskoka (Mr. Darling), who said this is one of the urban problems in this country which must be solved.

● (1600)

Mr. Speaker, the hon. member over there—

An hon. Member: Which one?

Mr. Basford: —in the official opposition, the hon. member for Calgary North (Mr. Woolliams) and others, are aware that the current housing programs of this government will produce 250,000 units or more of housing in this period 1974.

An hon. Member: At what price?

Mr. Basford: The demonstration program and fund are intended to complement that, to support it, to extend what we are doing in housing and the broader field of urban affairs. It is intended to generate solutions to transit problems, to environmental problems, to energy problems and so forth. It is a program of action to generate solutions, just as our housing program is action to generate new and better housing and greater access to housing for all Canadians.

In his speech, the hon. member sought the support of all members of the House for this motion, sought the support

of the New Democratic Party and of the Social Credit Party. The group sitting opposite is the official opposition, thirsting and salivating for power. They have put forward a motion that is a subterfuge, a silly parliamentary strategy designed for no other purpose than to embarrass me and the other parties in this House.

An hon. Member: That is impossible!

Mr. Basford: It seems to me that members of the New Democratic Party and of the Social Credit Party are interested in motions that will show the money for housing legislation that is being passed to provide—

An hon. Member: You missed a bit!

Mr. Basford: —housing in this country. This motion, Mr. Speaker, will not add one red cent to housing in 1974. This year we are budgeting $1¼ billion for housing. This motion, even if it passed, would not add one red cent to that program.

This motion, Mr. Speaker, raises no money for housing in 1974; this Conservative motion, Mr. Speaker, proposes not to build one house in 1974; this motion, Mr. Speaker, that we are asked to vote for and which would result in bringing down the government, does not even propose to build one house. Surely, the members of this House in all parties are entitled, rather than that kind of subterfuge, to a motion setting forth the policy of this group which claims it is entitled to be the government of Canada.

Mr. Speaker, they have just been bragging that they had a great meeting ten days ago in which their policies were determined. Yet, two weeks or ten days after that meeting they are not able to set down in this House by way of a motion of no-confidence, a constructive alternative housing program for Canada.

Some hon. Members: Hear, hear!

Mr. Basford: Mr. Speaker, I see I am getting to hon. members opposite who are becoming extremely noisy. They wave a document called "Prepared for the Challenge" which the spokesman for the party called his policy statement. Yesterday another hon. member was quick to point out tnat it was not a policy statement but only discussion papers, some parts of which were stolen from the policy of the government.

Some hon. Members: Oh, oh!

Mr. Basford: Yesterday, this group that is unable to offer a constructive alternative housing program by way of a motion, through the hon. member for Mississauga (Mr. Blenkarn), criticized and ridiculed the various programs for housing that I am going to talk about in a moment. Only ten months ago he voted for those programs. I remind him that he voted, as did the Conservative Party, for amendments to the National Housing Act.

Some hon. Members: Hear, hear!

Mr. Basford: Yet last night they got up and ridiculed the repair and rehabilitation and the assisted home ownership programs as well as other programs that are now beginning to come into effect. The vote of the hon. member for Mississauga is obviously not worth a tinker's damn. Obviously, he means nothing when he rises solemnly in his place and votes, like the rest of them over there, for a piece of legislation and criticizes it afterwards.

The hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) said last night that the trouble with housing is too much government interference. Then, he said that we should have regional land banks in the country. We already have federal-provincial land banks, land assembly programs and now federal-municipal land banking programs. They want to complicate that with a third tier of regional land banks but I am not sure for what purpose. Let us first make sure that the existing provisions apply.

In addition, the hon. member for Calgary North is opposed to my proposal for a demonstration fund. He says it is a research program, but it is not. But even the projects I have mentioned are mentioned in their own programs. In the document "Prepared for the Challenge"—Housing and Urban Affairs" appears the following:

> . . . an examination of improved methods of handling refuse collection and disposal in our large metropolitan areas.

Obviously, their program is to study and research those things but not to have any money to implement them. In another section their program refers to developing new ways of providing "pollution free rapid transit systems". More study and research on rapid transit systems without any money to implement the solutions! That is a great party but it is certainly not ready to take office tonight—or any other time.

We have had two days debate on housing and that is a good thing because it smoked out the Tories as not standing for anything or, when they do, standing for totally conflicting ideas.

Yesterday I outlined in detail the government's housing program at page 824 of *Hansard*. This government has introduced far reaching legislation, has given effect to more new housing assistance programs, and in recent years has built more housing than any other Canadian government.

I would remind hon. members of the recent amendments to the National Housing Act which provided for more assistance than ever before to low and moderate income people who enjoy the kind of housing they need, either as tenants or owners or supporters of non-profit or co-operative organizations. These programs are now coming into effect and every day more and more Canadians are applying them to their needs. For example, in the assisted home ownership program, even without change, I would expect some 18,000 families to benefit this year.

In terms of the capital available to minimum cost, non-profit community groups and co-operatives which are prepared to acquire or build low rental housing for the use of their neighbours, including the elderly and those on fixed incomes, this government is running, through those amendments and its budget, the most generous, forward looking and progressive support program for the elderly that this country has ever seen. This act provides that the non-profit housing groups which are building senior citizens' housing, have more complete legislative, financial and administrative support. We are continuing to provide public housing to those people who find it the best solu-

tion for their needs and we are continuing to improve this kind of housing, physically and socially. Last year we committed $173 million to this program. The hon. member for New Westminster (Mr. Leggatt) asked about this today in the question period. Mr. Speaker, I have a meeting with the provincial minister in British Columbia to discuss that and other issues on Friday afternoon and to deal with some of the problems out there.

● (1610)

I will have to rush to complete my remarks in time. The neighbourhood improvement program is now under way, coupled with the rehabilitation and repair program of going back into older neighbourhoods, revitalizing, using and re-using the housing stock that is in those areas.

I mentioned earlier the statement I made on rural and native housing programs by which we will help people to build or acquire up to 50,000 housing units in the next five years on terms which even the poorest will be able to afford. I intend to discuss starting Thursday night, with all of the provinces the implementation of that program to ensure that those targets can be realized so that we can get going for this summer's construction season.

Hon. members are familiar with the initiatives we have undertaken. I repeat them here for the benefit of those who are fond of saying that we have done nothing and have no policy. These measures are giving more assistance to more Canadians to acquire more and different kinds of good housing than ever before.

In addition to those policies which are obviously aimed at the question of distribution of housing, how do you give greater access to housing to those with difficulties? I, like other hon. members, welcomed the statement made by the Minister of Veterans Affairs (Mr. MacDonald) this morning as to the extension of the Veterans Land Act which will be introduced into this House very shortly. As the hon. member for Winnipeg North Centre (Mr. Knowles) said, we have to keep this parliament going in order to pass my colleague's very good legislation. Those are programs aimed at the redistribution of housing. They are aimed at the distribution problem.

One of the problems in this and in other countries is that most of the building industry and development industry has consistently been building expensive housing, housing for the top part of the market rather than for the middle and bottom parts. Government policies must not only be aimed at pumping government money directly into housing, as we are doing in unprecedented amounts, over $1 billion, but also aimed at getting the builders of this country to respond to the needs of the average Canadian in ways they have never done before with modest accommodation at modest cost.

One way is through the assisted home ownership program which is aimed directly at assisting people in income ranges of up to $12,000 per year by reducing the monthly payment on principle, interest and taxes and reducing interest to an effective rate of 6 per cent.

Mr. Grafftey: Oh, oh!

Mr. Basford: The hon. member's province uses the program widely. The price levels for houses covered by the assisted home ownership program and the income levels to be assisted were set for the first time under this new program some 12 months ago. We have now had experience with the program. It is working in many markets. Hon. members, even in yesterday's debate, complained that it is not working in some market areas across Canada. Having had the experience we have had, we are now able to reassess the program.

I have said that priorities will be given in the Central Mortgage and Housing Corporation programs and budget to those areas where the housing market is the most difficult. This applies to the assisted home ownership program and in those markets such as Toronto, Vancouver and Ottawa where the housing market is the tightest. We must assess the levels of support, the levels of income and the price levels of the assisted home ownership program in order to make sure it will work in the hardest markets such as Toronto, Vancouver and Ottawa and give them priority. We intend to use the assisted home ownership budget of over one quarter billion dollars to assist those in greatest difficulty and as a means of getting builders to respond to the needs of lower and middle levels of the housing market in ways they have not done before.

Second, through the National Housing Act and other lending agencies, we have endeavoured over the years to provide financing to the builders of lower and modest priced housing. The various lending requirements set out under different lending statutes have not been examined for some time. I have asked for a review of loan-levels, loan amounts, downpayment requirements and other regulations to determine the changes that should be made to slow down high cost and luxury construction and, by way of both the carrot and the stick, get lenders aiming more resources at low and moderate priced housing.

In today's question period, the hon. member for York Simcoe (Mr. Stevens) asked whether I would simply raise the lending limit of CMHC above $30,000. I do not think that is the sole answer, but I can understand it coming from members opposite who want their builders to be able to get bigger loans. The last time that was done, the building spokesman—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. minister, but the time allotted to him has expired. He can, however, continue with unanimous consent.

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Deputy Speaker: There is not unanimous consent.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should say at the outset that if my voice begins to falter during the course of my remarks, it has nothing to do with the intensity of political debate in the House today, but very much to do with the medical fact that I have the flu and a temperature hovering around 100 degrees. I just say that in advance.

The motion before us basically has two important parts to it. One concerns the program announced by the minister two weeks ago tomorrow, the urban demonstration program. The other is the more general question concerning

the adequacy of the government's housing program. In the course of my remarks, I want to say something about both.

It is important to be aware in this House that there is, in terms of commitment, an acceptance on the part of the New Democratic Party that housing has to be established now and has to be done at the federal level to ensure that it has a national foundation. Housing has to be established as a basic right of Canadian citizenship in the way that, after some serious years of work and development, education many decades ago and more recently medicare were established as basic rights for all citizens. We begin on that assumption and then ask how we have to deal with the economy in any given situation to ensure that that assumption can be fulfilled.

Mr. Yewchuk: Say something useful.

Mr. Broadbent: The hon. member says, say something useful. That brilliant, incisive repartee came from a member to my right. I listened to the official spokesman for the Conservative party two days in a row and heard nothing but highly convoluted rhetoric. There was not one systematic demonstration of any thinking that supposedly went on at his party's convention just over a week ago, where presumably they developed an urban affairs program. There was no outline of what that party intends to do. I say to my hon. friend, with all the modesty I can muster, will he kindly shut up and listen to what I have to say. Perhaps he will learn something about social philosophy and, related to that, something about what the hell can be done in terms of practical reality in Canada. Our party takes both of those objectives seriously. I know it is difficult for a Conservative to understand that kind of approach in politics, but I ask him to be patient and at least allow an exponent of that view to have his say.

● (1620)

As I was saying before I was so rudely interrupted in such a silly fashion, our party begins with the assumption that we have to organize our economy to ensure that a right to housing is established for all Canadians. I should like to refer to a series of articles which appeared some four weeks ago in the *New Yorker* magazine, hardly a paragon of socialist thought. They were written by a man named Goodwin who raises this subject in a most serious, imaginative and coherent way. He deals with the kind of question I am trying to raise about housing. What he says in terms of all our human priorities, and he is speaking as a thoughtful American, is that the economy has got out of control, totally beyond the control of individual action. What he called for, in his pessimistic conclusion, was a reinjection of action from below, right outside the political sphere, the ultimate objective being that people should get control of the economic system to provide for the kind of social objectives which our community so badly needs. Hon. members to my right in the Conservative Party continue, of course, in their merry 18th Century way, with the exception of two or three honourable and thoughtful members. The rest of them still come out with notions which I thought had disappeared a decade after Adam Smith. So much for a rhetorical reaction to a rhetorical outburst.

The approach to housing by both the government and the Conservative party has been essentially to tinker with the market system. That has been the overriding approach to meeting this social objective. It would be as absurd as to have used such an approach to solve our education needs, or to have taken that approach during the debates on medicare in the 'fifties and 'sixties. We gave it up then, we took those areas of the life out of the market system, but the old parties still want to leave housing within that framework and under the control of the market economy. I think that when you begin with such an assumption you begin with a fundamental error which will have a significant impact on all the "practical" proposals you make as a government or as an official opposition.

I do not intend to trot out all the statistical information which was provided by myself during my contribution in the debate on the Address, and, indeed, provided by other members in my party as well as members of other parties in recent weeks—

Mr. Gilbert: The Tories did not bother to speak on housing in that debate.

Mr. Broadbent: That's right. The Conservative party offered no spokesman on housing during the debate on the Address. I shall not document what has been documented by myself and others in recent weeks here. The fact is, we have housing crisis of very significant proportions, particularly in urban Canada, partly because we now find the post world war two babies coming on to the housing market. We had them in terms of a crisis in elementary schools and we had them at the high school level a few years ago, we had them at the university level and now they are married and having children of their own so they are on the housing market creating a problem the like of which we have not seen before in housing. It will get worse during the next few years. What is required?

Let me just mention at this point the project, Urban Demonstration. Is this what is required to deal with that kind of crisis? Do we need to spend $100 million to do even what the minister has outlined today? I will just go back a bit on that. When the minister came into the House two weeks ago tomorrow and made his announcement on a day when we had just been reminded once again of the escalation in the cost of living, he said nothing about what the real details of that program were to be. He provided us with not one whit of information of the kind he outlined in his speech this afternoon. So I, for one, am somewhat reassured that the objectives of that $100 million program are in principle good ones, and I would say that at least in principle the $100 million program is a good one now. Two weeks ago I thought, in terms of what the minister himself had said, in terms of the limited information we were given in this House, it was going to be money wasted.

But I want to add immediately that in terms of our priorities in allocating $100 million, it is still my judgment that it is the wrong spending at the wrong time and for the wrong program. I do not retract that judgment. I do modify the statement I made that I thought the spending was going to be totally wasted. I do not think it will be totally wasted. I simply think, in terms of meeting the pressing problem, we need to spend in other areas. What are those other areas?

It seems to me this is where we do not need further research. We do not need more projects or demonstrations of any kind. The areas in which we have to act are those of interest rates and land, very traditional areas. Nothing innovative in terms of ideas is required, but something innovative in terms of cutting into our economic structure is required. That is why neither the Conservative Party nor the Liberal Party has been prepared up to this point to move in the required direction. I can certainly speak with considerable assurance about the Conservative Party because I have read their program on housing, though I am still not sure if it constitutes official policy or not. Apparently the Conservatives hold conventions and pass resolutions but they do not have the force of policy, which is certainly convenient. Anyway, the statement on housing and urban matters which emerged from that convention had nothing substantial to say in terms of dealing with the interest rate question or the land question, both of which make up the guts of the housing problem for Canadians today. They by-passed them completely.

The present government with its batch of programs passed by the House last year made a significant start in the right direction and all parties in the House supported those programs. But it is now 1974, and we can see that average and low-income people particularly in urban Canada are simply not benefitting. Eighty per cent of Canadians in urban Canada get no benefit from the urban programs which were passed by parliament last year. It is this category of person we need to be dealing with now in terms of further legislative change.

What can be done? I will say what can be done immediately at the federal level. It requires 30 seconds of repetition; it has been said by me many times. First, change the Bank Act and other federal financial legislation to make it mandatory that our financial institutions put up at no profit and indeed, in that section of their investment at current rates of interest, at some loss, mortgage money at 6 per cent for housing. We say that without hesitation, Mr. Speaker, because we believe that the financing of housing should be a social obligation. We need money to enable people to get homes to live in, just as we need money to build schools and to finance medicare. We cannot have human existence dictated to or controlled by a market system that makes it impossible, because of the interest rate structure, for ordinary people to derive these benefits. Therefore, we say that we must direct our financial institutions to make available mortgage money at 6 per cent.

● (1630)

Secondly, in terms of land banking, if the minister does want to take some action within the next few weeks or months, I know that some 50,000 acres of quick start land is available. The officials in his own department conducted a study, presumably for the minister, which revealed that in 15 urban areas of Canada there are 50,000 acres of available land for housing. With provincial agreement the minister could acquire these 50,000 acres and put up some 250,000 housing units. Then, not because this is a fantastically new idea, but because it is an innovation in the structure and the history of housing construction in Canada, these 50,000 acres should be retained under public ownership, with the houses only being sold.

[Mr. Broadbent.]

Doing this would cut the cost of these 250,000 units by anywhere from $8,000 to $12,000 per unit. This saving in cost would be retained in perpetuity, because the person who buys one of these units would not be free to sell it on the open market; rather he would have to sell it back to the original housing authority for the original price he paid, with some allowance for inflation, any improvements he might have made to the unit, and with no capital gains tax being applicable. I say that this is a direct and useful concrete proposal that is more feasible than any we have heard in two days of wind from the Conservative party. If the government of Canada would like to act in a meaningful way to deal with the housing problem, then it could do so by adopting this idea.

In this particular area of policy the British Columbia government has already set an important precedent. This has been done essentially in the city of Kamloops, where 45 acres of land has been given to the city on the condition that the land is kept under public ownership and houses are erected on the site. This saves the new occupiers of those housing units $10,000 to $12,000 a unit. This is the kind of practical, innovative action that is required. This is the kind of change that we need in land policy, with the government acting as a large developer. We also need a change in the policies of our financial institutions so we can deal in a substantial way with interest rates.

This brings me, then, to the basic question: Do we at this time, over a $100 million item, decide that we must bring down the government tonight? It has already been indicated that if we did so, the VLA legislation which is required would not be introduced later this week, and this is a factor not to be dismissed. However, I am not speaking on the VLA matter, I am speaking about housing, and I want to deal exclusively with the argument in those terms. In the judgment of the New Democratic Party, the two areas requiring action—that is to say, land speculation in terms of taxation changes, and whatever innovation may be expected in terms of interest rates—are both budgetary items. What we are saying is that it would be wrong on this particular motion to bring down the government on housing policy. We do not say that the government's housing policy, as I have made clear in general terms this afternoon and as I outlined in greater detail two or three weeks ago, is by any means adequate. We intend between now and the date of the budget to continue to press, to badger, to cajole this government into taking appropriate action to deal with housing in the budget. If no appropriate action is taken by then, then the House can watch our vote.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am glad to take a few moments to comment on the motion of the Progressive Conservative Party. I congratulate the hon. member for Calgary North (Mr. Woolliams) who introduced it.

In my opinion, this is a very current issue since the federal government, through the Ministry of Urban Affairs, does not seem to have met the legitimate expectations of Canadians as concerns housing. Several programs have been introduced by this government since 1968. But they have only taken care of the most pressing problems. In many cases, because of their complexity, they have

even impeded housing developments in Canada, which has caused an increase in the number of homeless people, who are still waiting for a roof over their heads, and a home of their own. In Canada, it would be normal that everyone have his own house, even the poorest people.

● (1640)

In the last five or six years, many studies have been made to establish who should own a house, who should get the money required to buy one, and should be granted a loan to do so.

That question, Mr. Speaker, is twofold: First, is housing an absolute necessity; and, must the necessity to have a house serve to make the rich grow richer?

Mr. Speaker, in the last few years, especially since family housing has been encouraged, the demand having grown considerably, it seems increasing efforts are being made to promote construction; loan companies have taken advantage of the situation, with the blessing of the government and especially that of the Department of Finance, to increase interest rates, which has resulted in increasing considerably the income of loan companies.

I congratulate the former speaker, the hon. member for Oshawa-Whitby (Mr. Broadbent) who spoke of housing loans at rates exceeding 5, 5.5 and 6 per cent. No homeowner, no average man or worker can afford the luxury of paying a higher rate of interest. I cannot insist on this too much. I would even go so far as to say that municipalities, which also borrow from trust companies to service lands, for sewers, waterworks, paving, streets, should be financed through a bank act, or else the government should give the provinces the money required to finance thoses services, that their cost not fall back on the new owners.

Mr. Speaker, municipal services are now very costly. For instance, the town planner who draws up plans now charges $20 per 65 by 100 lot in new developments. The surveyor charges $80; sewers, water mains, asphalting and sidewalks cost $75 per lineal foot; that means $4,525 for two owners, one on each side of the street. It therefore costs $2,262.50 to each owner. The municipality must be reimbursed that amount over 20 years at a rate of 9.75 per cent, which again means $254.80 for each owner. If an owner pays $325 or $328 in school and municipal taxes for a detached house valued at $17,500, he has to pay much more than $500 in taxes for those services. Mr. Speaker, this represents some $50 a month. It is impossible for a man to purchase a house and pay only $50 a month for services and taxes. Considering the costs of a loan from a financial institution or the Central Mortgage and Housing Corporation at 9 3/8 per cent and if the purchaser has paid $2,000 or $2,500, he has bought a house which he will never own, because he will never live long enough to pay his house. Unless his conditions change, he never has any bad luck and things always go quite well he will never pay his house. He might say, I bought a house and after four or five years I got tired of it and I sold it because the facts show that nearly 100 per cent of houses are resold within the first seven years. The owner is tired of it because he thought he had bought a house of his own but at a certain moment he woke up and realized he was supporting trust companies.

As I said earlier, Mr. Speaker, interest rates increased from 83/4 per cent to 9 7/8 per cent, not including the increase of ¼ of 1 per cent soon to be announced. If it remains at 9 7/8 per cent, including life insurance mortgage coverage, it is obvious irrespective of any study program the hon. minister might come up with that no progress will ever be made. It is impossible, there is nothing to do but to go around in circles.

I congratulate the minister and his cabinet colleagues for making available $100 million to Central Mortgage and Housing to innovate and look for solutions. The minister said earlier this was not a research program but I do not agree with the minister because surely part of that $100 million must be for research.

He also said he expected about twenty building programs to be set up and prototype assessments to be made to improve the construction system. I congratulate him for that. But I feel there is a loophole in his statement when he says it is difficult to promote and support innovation. That money will allow for various initiatives to be made incorporating desirable innovations that are impracticable without this additional support. Therefore, I ask that this fund come under no existing federal program but that it be rather used on a discretionary basis, according to situations and circumstances.

The minister should explain, however, what he means by the word "discretionary". Does he mean existing projects at the finishing or completion stage of development or new projects that will set aside for "discretionary" action?

Moreover, the minister intends to administer the program and the fund in such a way as to emphasize innovation as much as possible. I quite agree on this point. I believe that within the next five years, this initial investment of $100 million will give rise to a wide range of projects worth much more. I agree with the minister because when one refers to the studies whose findings were made public in December 1970, special studies on housing, and in view of the fact that since 1970, developments have not been occurring as fast as they should have in the construction area in order to build houses for those who need them, I think that there is an urgent need, as the minister said, for us to find new outlets or new ways of financing new projects.

This study conducted in 1973 and made public by the former Minister of Transport, the hon. member for Trinity (Mr. Hellyer), was very well done, and I hope that the minister will refer to it. If he has read it already, he will read it again in order to understand it fully and to improve this situation. This study deals with city slums. If you went about for a few days during the parliamentary recess and looked into the investments guaranteed by the Central Mortgage and Housing Corporation in big cities, you would be frightened, Mr. Speaker.

● (1650)

With our money, with the taxpayers' money, they demolish houses which still seem pretty good instead of repairing them. After they are demolished, those houses are replaced by 25-, 30- or 40-storeyed skycrapers with small rooms of barely 8 feet by 9, or 9 feet by 12. As far as

windows are concerned, sometimes there is only one or none at all, for lack of space.

Such is the situation in Toronto and in downtown Montreal and Winnipeg. By the way, Mr. Speaker, the Montreal financiers who managed to start a project sponsored under the CMHC urban renewal program or the federal-provincial urban renewal scheme had some very good houses torn down on Dorchester Boulevard in Montreal. That is where you come from, Mr. Speaker, you must be aware of that. What are they doing with these properties now? Nothing at all. For lack of funds, these financiers who own the land are doing nothing, because the City of Montreal made other plans. Even if they do nothing, they still own these properties. What are they waiting for? They are waiting for the prices to go up. They wait till they can build skyscrapers and make profits. And all that with our money.

This must change. First there is need, I think, for the Central Mortgage and Housing Corporation to gain nearly complete control over investments. I mean that large financing institutions like banks and trusts, having their headquarters in cities—as the Montreal Trust and the Royal Trust in Montreal or Toronto—endeavour as much as possible to make important loans to large cities.

Within a few years, we will come to the stage now reached in New York. Everybody had to invest there. People are so stupid they will all stay in New York, so huddled together that it is impossible to walk in the streets because of crowds. The very same situation exists in Montreal.

Through government and according to financial guidelines given to him, the minister should forbid the Central Mortgage and Housing Corporation to approve such projects in order to protect man against himself. There should be no community so big that pollution and many other problems would fall upon us tomorrow.

The minister has indicated a moment ago that sewers were a source of problems in the cities, and I understand him. The way things are going, they can only become worse. All investments are made in the cities, nothing is left for rural areas. Many excuses are given to rural communities. However, there is air, nice lands, space to build to one's content. People can make gardens, grow flowers, and lead adequate lives. But this is met with numerous objections. Does everybody work in this region? Is employment stable?

I think most people nowadays forget that cars make it easy to commute 25 or 30 miles to work. Mr. Speaker, I agree with the minister's $100 million expenses, for I think that he has made extraordinary efforts to pull the government out of the present housing dilemma.

I hope he will continue in this way to improve the situation of the less fortunate so that one day they may find adequate housing at a reasonable price.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, ever since this minority government has been in power, this House has been given strange shows on many occasions. It has sometimes been funny, and even fascinating at times. Once more, today, we get a first rate performance. The official opposition has indicated to the government, on behalf of the people of Canada, that it is to blame

for wasting a sum of $100 million. A few weeks ago, the whole opposition was unanimous in making this kind of criticism against the government.

But a few minutes ago the hon. member for Oshawa-Whitby (Mr. Broadbent), who had personally violently criticized the government, spoke on behalf of his party and reconsidered his opinion, declaring that he will manage to cast a confidence vote for the government tonight, and he said: Wait till the presentation of the budget, and watch our vote.

Well, that was another clownish somersault to which we are getting used, but not the Canadian people. When those members vote tonight, of course, there will be a huge burst of laughter in the House, which will be heard all across Canada. Those members too, along with the government, will have lost the confidence of Canadians. We were also treated to a show by the Minister of State for Urban Affairs (Mr. Basford) who is a nice, easy-going fellow who has all our sympathy today. We felt that he was noticeably embarrassed, ill at ease, confused, and for good reason, faced with the almost impossible mission of bringing before Parliament a policy that did not even exist, of justifying before the Parliament the activities of a government which, in the particular area of inflation, has completely failed.

Mr. Speaker, I was shocked right at the start to hear the minister complain along these lines: It is not the government that does not understand anything, it is not the government that is falling short of the target. And he explains that the misunderstanding and the ignorance of the press and the opposition are to blame for every thing. According to the minister, the press and the opposition are the ones who did not understand the great works planned by the government; it is right while everybody else is out of step.

Mr. Speaker, we had grown accustomed to such behaviour and wranglings from the government for some time. Today during the question period we had another example of the internal fights among the ministers who do not care about solidarity and are not pulling together. We were getting used to that. But today there is something else. When the minister admitted being unable to solve the housing problems of the country, he joined the ranks of all the other ministers who confessed their failures in the fields of transportation, communications, energy.

Mr. Speaker, we heard some rather extraordinary confessions recently. Those people got it off their chests, they made a clean breast of it all, they owned up to the whole country to being unable to solve the problems, they say they lacked the necessary means of powers and they should be forgiven for the failure since 1968. The situation reminds me of what happened at one point in the USSR where, after Stalin's death, everyone said to the population: Forgive us our mistakes, we shall not repeat them, we are now entering a new era.

● (1700)

Mr. Speaker, when I see the ministers contriving, it reminds me of a government of streakers which has become a household word. The members of the cabinet have pre-eminently become streakers. As streakers, they have stripped off their clothes, which are ideas, imagina-

tion and decisions. Thus divested, they do not even command attention and still less, Mr. Speaker, gain the confidence of the Canadian people.

Therefore it is against this background associated with the deplorable attitude of the government which saddens most of us, that we are going to consider its housing record.

The number of housing units for rent in Montreal for example, and elsewhere in Canada, based on—

[*English*]

Mr. Basford: Mr. Speaker, on a question of privilege—

The Acting Speaker (Mr. Boulanger): Order. I think the minister is rising on a question of privilege.

Mr. Basford: Yes, Mr. Speaker. I listened with great interest to the hon. member speaking for the Conservative Party, but I hope by his remarks he was not suggesting I was streaking in the House of Commons.

[*Translation*]

Mr. Wagner: Not al all, Mr. Speaker, it is mere fancy! But if it can comfort the minister, I would tell him that the way he showed who he really is is nothing compared to the moral strip off of the New Democratic members who supported the idea, but who decided this evening to vote against it.

Mr. Speaker, I was just saying that the number of units for rent was decreasing in Montreal and in other parts of the country. Today, the government, via the minister, takes its stand on statistics given by the Central Mortgage and Housing Corporation and dares state, as we all heard, that 1973 has proven to be the best year Canada has ever known in the field of housing construction.

Some hon. Members: Hear, hear!

Mr. Wagner: You just heard the frantic and assiduous applause of the hon. members for Laval (Mr. Roy) and for Lévis (Mr. Guay). I hope they will also receive the end of my speech with loud applause.

The minister should consider the revealing figures I am quoting. The number of units for rent in Greater Montreal decreased from 3 per cent in December 1972 to 2 per cent in December 1973. In Quebec City, in 1973, the number of available housing units has gone down from 5.5 per cent to 3.1 per cent. In other parts of the country, the situation is much more precarious and has reached such a point that you can definitely say there is a housing crisis in Canada.

I would say to the seemingly powerless Minister of State for Urban Affairs, who loves covering up problems with reports, studies and statistics, that a study released by the Central Mortgage and Housing Corporation shows that the number of available housing units, namely 2.1 per cent, is the lowest percentage in six years. I hear the hon. member for Laval (Mr. Roy) applauding. This is a total failure and the lowest percentage in six years of administration by the self-styled just government, a past slogan gone with the wind.

The Central Mortgage and Housing Corporation which published today the highlights of its annual report is quite careful not to dwell on the rather somber outlook for the next few months. It seems that the current interest rate and a shortage of building materials will lead to a decrease in residential construction in 1974. Those are premonitory signs of a serious housing crisis in Canada.

If the minister so-called responsible for housing does not believe in the relative decrease in available housing units, his colleague the Minister of Transport (Mr. Marchand), who also admits he is powerless, recognizes this phenomenon. But, mind you, it is only to claim that the quality of those same houses has improved.

And yet, as early as 1967, the Economic Council of Canada thought that one million Canadians were living in quite inadequate housing conditions. Incidentally, since a Minister of State does not have the powers of a Minister of Transport, who admitted to be powerless, I would say to the Minister of State for Urban Affairs that insufficient consideration is given to some "lemon projects". Let him meet the owners of the "Prairies de Montréal" project. He will see how the standards of the Central Housing and Mortgage Corporation have been disregarded and maybe how the inspectors did not care about them.

The average citizen is not adequately protected in the area of construction. The government agencies only pass the buck to each other; the Central Housing and Mortgage Corporation claims it is only a loan agency, the Minister of State for Urban Affairs has not enough powers, the Minister of Consumer and Corporate Affairs (Mr. Gray) dares not or is unable to intervene.

Moreover, Mr. Speaker, not only is the number of available housing units decreasing and does their quality of construction sometimes leave much to be desired, but, month after month, the government remains powerless before the increase in the cost of living in general and in the housing sector in particular.

Does the minister, who is not an agent, realize that the year 1973, as all Canadians and not only Quebecers well know, is truly remarkable in the home building sector because of the fact that housing costs have gone up by an average of more than 20 per cent?

The minister and the Central Mortgage and Housing Corporation say that 1973 is a record year for building. It is certainly a record year for the builders, especially because of their profits, but, along with all the people of Canada, I say that 1973 in the building sector was a record year for cost increases.

One can no longer rely only on government studies, all the more as their findings are not always made public. I am thinking of the famous Dennis report. *Le Devoir* referred to one of those studies on February 15 in the following terms, and I quote:

> More and more, the single family home is only available to a small part of the population, namely those who can spend $300 a month on housing.

● (1710)

This is one point on which the New Democratic Party socialists should agree. This is a prohibitive price if one considers, for instance, that in April 1973, the average weekly income of a Quebecer was $149.94. And the upward trends are still very much with us.

The Montreal section of the urban renewal and housing association is anticipating for 1974 an increase of about 25 per cent over 1973. How can we explain such increases since, according to official statistics, building materials and labour have increased by only 10 per cent in 1973? And then some people will laugh at our policy to abolish the 11 per cent tax on building materials, and especially to freeze prices, profits and other incomes, in particular in the food and housing areas.

When anyone in my party speaks about a freeze, while it is common knowledge, it is not only of a wage freeze but a freeze on all Canadian factors of the cost of living, therefore a freeze on prices, profits and other incomes as well. To pretend the opposite, as the hon. member for Scarborough West (Mr. Harney) did recently, to pretend that the Progressive Conservative party merely demands a wage freeze that would affect the small earners, to pretend that is to show the worst kind of dishonesty.

Mr. Speaker, Canadians must consider the following facts: a very low vacancy rate in housing, staggering rent, increases the prohibitive purchasing cost of single family houses, the smallness and the poor quality of the new dwellings and the government, particularly the hon. Minister of State for Urban Affairs (Mr. Basford) are the firsts to speak highly of the housing achievements in 1973. Mr. Speaker, it is sheer thoughtlessness and they obviously are irresponsible.

My colleagues and particularly the dynamic hon. member for Calgary North (Mr. Woolliams) discussed the partial solutions proposed by our party as regards housing, which makes it unnecessary for me to do so. In this program the minister responsible would be really responsible for something and everything would be centered on the protection of the consumer and the expectations of the average family. This program demonstrates that the Progressive Conservative party is ready to accept the challenge and already presents a serious alternative to the present government as our party is ready to govern this country.

In view of the increasing price of building materials I shall merely remind you of the proposal I already made in this house to the effect that the government should set, in the case of certain materials, for instance asbestos, a price for domestic consumption and another higher price for exports. That is one way, among many others, of lowering the cost of housing, specially in Quebec.

In another vein, I must once again warn the present government, with regard to its laborious formulation of a housing policy, against its visceral tendency to take advantage of a crisis, or if need be to create one, and gradually take over jurisdictions that normally belong to the provinces.

A series of articles recently published in the daily *La Presse* proves, once again, how the present Liberal government, under the pretext of co-ordination, has reached the point where it wants to control all initiatives in the field of urban matters. As for me, I fear that the field in which the overly centralizing ambitions of the Liberal government will soon cause the provinces, of which Quebec in particular, to object, and rightly so, is precisely that of urban affairs.

[Mr. Wagner.]

Quebec should pull itself together before it is too late, assured as it can be that we are listening attentively.

Mr. Speaker, everything about the Ministry of Urban Affairs, its record, its objectives, its programs and even its orientation, as we very well find out today, is so confused and inadequate that we can no longer have confidence in the government. How could we in the circumstances—

The Acting Speaker (Mr. Boulanger): Order. I regret to interrupt the hon. member, but his allotted time has expired.

[*English*]

Mr. Basford: Mr. Speaker, even though I was not given the same courtesy I would be happy to extend the time of the hon. member so that he may complete his speech.

The Acting Speaker (Mr. Boulanger): Does the House give unanimous consent to allow the hon. member more time?

[*Translation*]

Mr. Guay (Lévis): I agree, Mr. Speaker, but providing we shall hear not only criticisms, but really constructive proposals.

Mr. Wagner: Mr. Speaker, I thank the ministers and members of this House for their generosity. To comply with the request from the hon. member for Lévis (Mr. Guay), I will be pleased to send him the working document containing our new dynamic and imaginative policy, which will be that of the next government very soon.

Mr. Speaker, I was saying a while ago that it was impossible, considering the present circumstances, to miss this opportunity of discussing the idea of a $100 million fund to promote, rather vaguely, from 1976 to 1981, initiatives that would bring about solutions to urban problems, initiatives in fact that would be the basis of our participation in the United Nations Conference and Exposition on Human Settlements scheduled for Vancouver in 1976.

We must reject that $100 million demonstration program because it is becoming a very costly diversionary tactic which cannot possibly assist in solving the existing housing crisis which I mentioned a while ago.

This government, having lost all sense of priorities, postpones its own commitments about which we have read in the Speech from the Throne at the beginning of this session.

● (1720)

Some of these agreements are somewhat outdated, like the relocation of railway lines and terminals within cities, suggestions which we had heard a great deal about before 1972, especially in Quebec City. There were other suggestions, of more recent vintage, concerning consumer protection on the real estate market, and finally this supercolour vision of housing in the year 2000. During the last election campaign, Mr. Speaker, they lured us with bright and awe-inspiring projects of national parks for year 2000, and in case nobody remembers them, I am sure the hon. Minister of Indian Affairs and Northern Development (Mr. Chrétien) could refresh our memory with advantage.

Why should Canada make itself conspicuous with the slogan "Habitat 2000" at the United Nations Conference-Exposition in Vancouver in 1973 if, after learning nothing from the Montreal "Habitat '67" project, it did not succeed as a rich country in making available from 1968 to 1976 to the average Canadian family a single family home?

Before concluding my speech, since I have two minutes left, I hasten to say that we, of the Official Opposition, are not the only ones to say that this program of $100 million in support of demonstration programs is an untimely decision in view of inflation, a fraud and window-dressing. Our colleagues of the Social Credit and of the New Democratic Party condemned it quite unequivocally today, yesterday and as soon as the program was announced. The NDP member for Oshawa-Whitby (Mr. Broadbent) compared it to the huge project of Habitat '67, and I spare this House his statement on the subject.

As a result, we have to take concrete steps today and the only weapon available to us is to show, through the motion before the House and by the vote we will have tonight, to demonstrate clearly and unequivocally that the government is on a bad course in the area of housing.

In view of the failure, or at least of the serious procrastination of the government in the field of energy, inflation control and in view of its irresponsibility in the field of housing, we have to defeat it in order to enable the electors to choose as a government the representatives of a political party that is more familiar with the problems, that is more conscious of today's priorities and to give ourselves a new leadership, not a leadership like the one we witnessed during the question period today, tossed about between two ministers, two heads, two groups, and goodness knows what else!

If the Liberals have once again the hope to get tonight the support of the members of the New Democratic Party, the latter should realize that Canadians as a whole and very soon, on April 2 next, the citizens of Nova Scotia in particular, will judge very severely the vote of the New Democratic Party tonight.

Mr. Speaker, the question to ask oneself, and I conclude my remarks on this, is not whether we must defeat the government, but rather whether we have to let it administer the country from bad to worse another day and let it another day powerless in the face of its responsibility as national conciliator.

Mr. Guay (Lévis): Mr. Speaker, I rise on a question of privilege. I wish to point out to the House that I regret having given my unanimous consent, because I have heard nothing of substance from the hon. member for Saint-Hyacinthe (Mr. Wagner).

The Acting Speaker (Mr. Boulanger): Order, please. Is the hon. member for Laval (Mr. Roy) rising on a question of privilege?

Mr. Roy (Laval): No, Mr. Speaker. Would the hon. member allow me to ask him a brief question?

The Acting Speaker (Mr. Boulanger): The unanimous consent of the House would be required, because the time of the hon. member has expired.

Mr. Wagner: The hon. member may ask me a question, brief or otherwise, at any time.

The Acting Speaker (Mr. Boulanger): Does the House consent?

Mr. Roy (Laval): Mr. Speaker—

Mr. Fortin: No, Mr. Speaker, we have wasted enough time.

The Acting Speaker (Mr. Boulanger): Order, please. I have heard a "no". The House does not consent.

[*English*]

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the hon. member for Calgary North (Mr. Woolliams), the hon. member for Saint-Hyacinthe (Mr. Wagner) and a number of others who belong to the small "c" hard core of what used to be called the Progressive Conservative Party, must be very pleased with themselves today. The motion they have brought forward certainly does not indicate much hope in the small "c" conservative group for any progressive ideas.

The government of Canada has decided to launch a program which will allow at least 20, and I hope a lot more, practical projects across Canada, to be phased in over a five-year period. Hopefully some will be used to show the world what Canada can do to solve some of its urban problems in conjunction with the conference on man's urban environment which is to take place in Vancouver in 1976. Surely, Mr. Speaker, this is an effort through which we in Canada can attempt to show the world what is possible in the way of solutions to the ever-growing urban problems of the world; surely, this effort for the brotherhood of man is worthy of more support than the kind of motion of non-confidence put to this House today. The progressive section of the Conservative Party, if that section remains at all, must be a disillusioned group in this House today.

I declared yesterday my whole-hearted support for this program that the official opposition chooses to view so cynically. They pretend that the money spent to help make Canadian cities better places to live in, ignores the needs of Canadians. The small "c" conservative group in the House chooses to pretend that a program which will allow for innovation in housing, urban transit and urban pollution control, somehow denies Canadians who are in need of a home, that very home. It chooses to pretend that the fund is just for housing; it chooses to pretend that the fund is for airy-fairy research study projects when it knows no government in its right mind would try to sell this kind of research to people whose needs are pressing and vital. No government would propose the kind of program that the opposition pretends this program is.

Mr. Speaker, opposition members choose to overlook the fact that the urban demonstration program is more than just a fund—it is also a means of exchanging the best solutions that Canadians in all parts of Canada have found for urban problems. This program is one of the most exciting ventures undertaken anywhere in the world to attack, solve, and demonstrate solutions to urban problems. It will give Canada a major innovative capability in

responding to the urban challenge which confronts us. Mr. Speaker, we need this kind of capability and we need it now.

During the balance of the seventies and through the eighties we can foresee a continued high rate of urban growth stemming from a high rate of family formation and continuing movement of people to our larger towns, cities and metropolitan areas. Between 1970-1975 the average number of marriages in Canada will run at 205,000 annually. Between 1975-1980 the marriage figure will jump to 234,000 annually. Net family formation in the late sixties amounted to 110,000 annually. The projected number between 1970-1975 is 118,000 annually. And between 1975-1980 it will be 133,000 annually.

The decisions taken, and innovations adopted, over the next few years will largely determine the shape of urban Canada through the turn of the century. In fact, between now and the year 2000 we could add as many as 12 million people to Canadian cities. This means six cities the size of Toronto, although I fervently hope we can prevent that kind of concentration from taking place, and that we will have a better division of population across the country.

Canada, of course, is not unique in this. We are somewhat unique, however, in that we can look upon this not so much as a frightening prospect as a great opportunity. Unlike so many parts of this world, we really do have the opportunity to shape our urban future and to create communities, new and old, that are human and livable and for people. We have an excellent foundation on which to build; none of our present cities have passed the point of manageability. And we have the technology, skills and imagination.

What we need are ways and means to release this imagination and skill and to focus it on solving our urban problems, on creating environments of all kinds in which people will want to live. In order to do this, we will have to support small communities and medium sized communities as well as large communities. And we will have to develop new communities to check sprawl and concentration and to support resource development.

When we talk about new communities, we have provided Canadian municipalities and provinces with legislation to permit the establishment of new towns and cities. There have been two significant moves in this direction; the Pickering airport land holds promise in this regard as does the southeast city acquisition where we will, I hope sooner rather than later, have two new cities developing that will show the way to all of Canada what can be done when you plan development. Members on both sides of the House should, when they have the opportunity, visit one or two of the new cities in the United States or in the United Kingdom to see just what planning from the beginning does for the living conditions of people.

In Reston, just outside Washington, they have provided 45 per cent green space with traffic isolated walkways and bikeways. There is a mixture of housing ranging from low-income to executive housing. Recreational facilities are spread throughout, accessible without traversing traffic lanes. The total approach to planning accentuates and improves living conditions for the inhabitants without it costing them any more. Mr. Speaker, this is the kind of contribution and innovation that our program can offer

[Mr. Watson.]

yet this motion of non-confidence turns thumbs down on it. The program is one of the most progressive things to happen around here in a long time. It is a sad commentary on the official opposition when they take this attitude.

The Canadian urban demonstration program and fund is a direct response to the urban goals advanced by the government in the recent Throne Speech. As set out in the Throne Speech the federal government's urban goals call for a more balanced pattern of cities and towns throughout Canada, with increased emphasis on federal policies and programs to improve small and medium sized communities and to create new communities. They call for action to improve the physical and social environments of the larger urban centres, particularly the core area or inner city.

I might add that these goals were discussed with the provinces and municipalities at the second national trilevel conference in Edmonton last October and found widespread endorsement and support. The Minister of State for Urban Affairs (Mr. Basford) discussed a number of matters at that conference. One of the most important had to do with new cities and the land banking programs that would make such new cities possible. The whole question of promoting land assembly and land banking has repeatedly been raised by the minister. He has been promoting government intervention in land markets for more than a year.

● (1730)

In January, 1973, the minister assured provincial governments that we would make available to them at least $100 million a year for the next five years to finance land assembly programs. The provincial governments were somewhat slow in responding. However, by the end of 1973 we were able to commit, not $100 million but $150 million for that purpose. We have been keeping our side of the bargain. At the same time that we are stepping up land assembly we are applying guidelines to give priority to those assemblies which promise to create housing quickly and make provision for low and modest income housing in return for profits to the community for the formation of parks, community facilities, day-care centres and the like.

One of the strange things about the criticism from the official opposition on the subject of land banking and land assembly is that the government should not be in the business of making a profit on land. This is totally nonsensical. It shows the bankruptcy of their total thinking on the urban problems of Canada. This so-called profit which the official opposition finds appalling is not profit. It is money which will be used to provide services for the people living in those communities and as a means of lowering the taxes they have to pay. Is that wrong? The official opposition is on record time and again as finding land banking unsatisfactory because of this element of so-called government profiteering.

The present shortage of serviced land and the increase in demand for housing is without doubt providing a field day for speculators who are enjoying windfall profits without ever moving a brick, digging a hole or putting a pipe in the ground. There is no doubt in my mind that we need to review the whole question of how to deal with these windfall profits. Runaway speculation has occurred

around Toronto in particular, and to a large extent around Vancouver. It is raising prices to the point where people, even those in the middle income bracket, cannot buy a home. Only those who already own a home can acquire another. I am convinced that the situation is one which the Minister of Finance (Mr. Turner) should review to determine whether there is some way in which we can use our taxing mechanisms to reduce the speculation that is now going on and which is affecting the well-being of the house-buying public, particularly in Ontario and British Columbia.

Before going on to the subject of this motion, the demonstration program, I want to discuss for a moment the kinds of solutions which were proposed in this and yesterday's debate by the official opposition. There are several that were repeated in the various speeches. The 11 per cent sales tax is a favourite. They want it removed. Although it would clearly benefit some home owners, it would without question be of much greater benefit to huge areas of our economy such as supermarket builders and gas station builders who have no need for this tax exemption.

Another favourite solution proposed by members opposite would allow individual home owners to deduct mortgage interest rates from their income tax. Obviously, this would be a wonderful thing for anyone who owns a house. However, it happens to be the case that people who own houses are earning larger capital gains than anyone else in the country. People who bought houses are among the most fortunate people in this country; their homes are worth far more than they paid for them. However, the Conservative Party seems to be pushing for a policy which would in effect have the taxpayers of Canada subsidize this very favoured group who are already making an enormous profit.

They further suggest we should lower the interest rates on all CMHC loans. The policy which the minister has had in effect for a number of months, since the adoption of the legislation last summer, permits persons earning salaries of less than $11,000 an interest subsidy. In these instances we are reducing interest rates.

The same argument which I have used for disallowing mortgage interest payments for income tax purposes applies to lowering interest rates. As the former member for Fort William-Port Arthur wrote a few weeks ago, the question of lowering interest rates at the expense of the Canadian taxpayer to favour home purchasers does not stand up to scrutiny, because when these people buy their homes they are getting the best possible buy in Canada. They are getting a hedge against inflation and they will inevitably end up with a very substantial capital gain. How could anyone, in conscience, justify the taxpayers of Canada subsidizing interest rates for somebody who is going to make a very substantial capital gain on an investment? It cannot be justified.

In a rather novel interjection this afternoon, the hon. member for Saint-Hyacinthe blamed the federal government for all urban housing problems. Yet in the same breath he would deny the federal government any jurisdiction whatsoever as far as urban affairs is concerned. This series of positions is apparently the policy on housing of the official opposition. They are really the only concrete suggestions which have appeared in these last two days of debate. I stand to be corrected, but I do not remember the opposition making any other specific suggestions. They have talked about interest rates, the 11 per cent sales tax and deducting mortgage interest payments from income tax. However, they have not made any other suggestion except to denigrate this program of urban innovation which they somehow find repulsive.

● (1740)

The urban demonstration program can be tied to existing and new federal programs as well as to provincial and municipal programs. The program is extremely flexible. It will allow federal initiative without the usual constraints, although we shall consult, obviously, with provinces in which any project will be located. But we shall be able to do these things quickly.

Yesterday I felt the reaction of the official opposition was simply the result of neglect to study the program which the minister had announced. But when they turned around last night and proposed a motion of non-confidence in this program, they thrust the whole weight of the party behind their opposition to it. It was not only the hon. member for Calgary North sounding off without having studied the proposal adequately; it was the official opposition taking a united stand against a progressive program which will promote new ideas and bring forth new solutions to problems which affect us all for the benefit of Canadians and the world.

Mr. Speaker: Order.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, it is usual in a debate of this kind for a member to comment on the speech of the hon. member who preceded him. I find it difficult to review the remarks of the hon. member for Laprairie (Mr. Watson). When he tells us that young Canadians are in great shape because they can buy houses, and houses are such a wonderful bargain, his logic escapes me. I think that the product of any part of the economy in which unit prices have doubled in the last few years is hardly a bargain, unless the hon. member is trying to sell the argument that inflation is good and should be pursued as an object of desire—a view which would be contrary to that held by most people who are trying to get by on low incomes or even on moderate incomes. I am shocked that someone who presumably represents the Liberal Party should come out with such a thesis.

I listened with some pleasure to the minister this afternoon as he extolled the virtues of this $100 million program. He suggested that one of the great things he was going to do involved an experiment in the disposal of human waste in metropolitan Toronto. I hope he will not put too much of the $100 million into that project. The subject has already been covered by Jonathan Swift as described in Gulliver's Travels, the voyage to Laputa. A professor at the Grand Academy of Lagado worked on this project year in and year out, and his only expense was a new barrel of that material every month.

The problem of housing in Canada is one of the most serious facing us today. There are countervailing forces working. Many young people come to members of parliament for advice as to whether they should invest their

money in accommodation at what seems to them an almost incomprehensible price. Couples in their twenties earning maybe $20,000, if both are working, and needing a decent house with perhaps a bathroom and a half, wonder whether or not they should invest in a house costing, say, $60,000. They are filled with great tales from their friends who bought a house a year or so ago and sold it later at a profit of $20,000. I put it to the minister that they did not really make $20,000 on the house. The house was not worth an additional $20,000. The money they received for it was just worth that much less. Also, as soon as they sell a house at an alleged profit of $20,000 they have to buy another one and they find out—it should not come as a great surprise—that the price of the new house has also jumped $20,000.

The question of apartment buildings comes in here. I may be unusual in this respect, but it is very difficult for anybody in political life to try to say a kind word for the landlord. Mr. Benson's tax reform has done as much as anything else to cause an accommodation shortage in Canada which is particularly noticeable in the low vacancy rate in apartment buildings. Possibly with the transition from the Dominion Bureau of Statistics to Statistics Canada, housing starts in the last few years have included apartment construction. This accounts for a large proportion of the high figures of housing starts; they reflect apartments that are under construction.

The question, whether Benson's tax reform resulted in restricting the profits made by landlords, is possibly of interest to those interested in finance. I would say, as I said two years ago, that there will certainly be a shortage of apartment accommodation as a result of removal of the tax incentive to own apartments. I think my forecast has been borne out. We can look across the country, and in every major city with the possible exception of Montreal there is a marked shortage of apartment accommodation.

What happened to the kindly landlord, the reasonable landlord who was not there to make a great deal of money out of the tenants but was there for what was called, when it was introduced, an incentive and which later became called a loophole? The Benson tax reform had the effect of driving reasonable landlords out of the apartment-owning business. They took their losses and left, and the apartment-owning business became a hard-nosed affair. The landlord was expected to make a reasonable return on his outlay and he had no way to make it except from the tenants. Rents went up, but apartments did not. I notice that some of the people who advocated the closing of the so-called loophole now say we need some incentive to get people to build and own apartment dwellings. So we have turned 360 degrees on that issue.

There was a practice in British Columbia a few years ago which illustrates the difficulty which socialists have. They can never see anything but an immediate problem and a quick solution. They never see the secondary effects of the quick solution. For instance, everyone agrees that arable land should be used to raise food. We have a good example in Victoria. The peninsula of Saanich is just north of Victoria, and the city was spreading out, using up very fine farmland on the peninsula. But the socialists have always preferred to use the stick rather than the carrot. The carrot might have been an inducement to build houses or apartment buildings on non-arable land. Heaven knows, we have enough non-arable land in the province of British Columbia, particularly on Vancouver Island. But that is not the socialists' way. Their way is with the stick rather than with the carrot. Their answer was that there would be a land freeze on all arable land.

[Mr. McKinnon.]

● (1750)

Ever since then they have been walking around, wringing their hands and wondering what has happened to the price of city lots. It was obvious to anyone with their wits about them, anyone who knew the market, that when you freeze arable land around the city, scarcity of lots will drive up the price. A city lot in Victoria was worth $9,000 to $11,000 a year ago and people thought it was pretty high then. Such a lot is now worth $20,000 to $25,000—if you can find one, that is, and they are becoming more difficult to find. This is an example of a good concept gone completely wrong through a total lack of understanding of the secondary effect of legislation that is passed. I hope and pray that the minister will not fall into that trap with his $100 million urban demonstration program.

The New Democratic Party are having their problems in this debate. I listened, as I always do whenever possible, to the hon. member for Scarborough West (Mr. Harney) who usually contributes something useful to the debates of this House. But last night I heard him floundering around on the housing debate, trying to be against the government that he was going to support within 24 hours—and this does present a difficulty. I feel for the NDP members at times. They are finding out that political expediency is a very hard taskmaster. If you use political expediency as they have been doing for the last 16 months, you will look a fool at times, and I suppose this is another of those times.

The hon. member spent the first half of his speech last night talking about fox hunts. I did not understand the connection between fox hunts and housing, but he seemed to think there was a connection. Fortunately, he reverted to type and got on to something that he knew something about, and I appreciated the last half of his speech which was devoted to transportation: although it is not always too easily connected with housing, it was far more intelligent than the first half of his speech.

If the government is not going to give people any incentive to follow the line it wishes them to follow, then I would appreciate it if it would at least not club them to death when they follow their own way. The more that these all-encompassing, all-smothering bureaucracies try to regulate housing, the worse things get; and this has been going on for years. Due to the shortsighted taxation policies of the Benson budget, there is a shortage of housing. Perhaps this is part of a master design by the socialist government. We are living in a mixed economy where we have a socialist government controlling a country that is dedicated to private and to free enterprise, and sometimes I think we are getting the worst of both possible worlds. The government is putting on restriction after restriction, and if the private sector fails to build sufficient housing there is always the rumoured and veiled threat that the government will go into the housing field. I think the demonstration examples that we have had of government

housing should be sufficient to warn the people of Canada directly away from it.

I have had the privilege of living in government married quarters for several years of my married life. The occupants of married quarters are never very happy. Married quarters are government quarters: they are government built and government regulated. You must not have a hedge within 27 feet or something of the walls of the house. You are not allowed to plant a vine that will crawl up the front part of the building. I am sure that anyone who drives through a town that has a military component can spot the married quarters because they are ugly. They are clean, but ugly. Unfortunately, this frequently carries through to the part of the economy where we try to give the poor or the elderly citizens of the community low cost accommodation. We have an example in Victoria—I am sure every city has similar examples—in the part of town where you never say to your guests, "We must drive through such and such a development so you can see the beautiful buildings".

I implore the minister, if he introduces some of these experimental urban demonstrations, to keep an eye on visual environment. Visual pollution is as bad as any other kind of pollution. We have one high-rise, limited dividend building in Victoria that is an eyesore to the entire city. The only people happy about it are those who live in it, because they cannot see it. I must admit that the building is well designed inside and most of the people living there are happy with it, but they do not like the appearance of the building—and you cannot do much with a solid cement building, 21 storeys high, that has been designed ugly and constructed ugly. In this particular case the surrounding area is equally ugly and nothing is ever done about it.

Of interest in this idea of low cost housing to help a certain sector is the Pruitt-Igoe development in St. Louis, Missouri. They started to clear a district in St. Louis in order to build low rent accommodation. This was an apartment complex. I should like to tell the House what the New York *Times* said about it. The structure was built in 1954 with $36 million of United States federal funds. It was not a balanced community. There were no shops; it was strictly accommodation and it was thought that the low rent aspect would make it a success. But it was so bad that they have knocked down 43 of the buildings in this apartment complex.

This signalled the start of a $3 million plan for renovation of the complex to make it liveable again. This massive, mostly vacant project, was built in 1954 and is now to be transformed into a balanced community of smaller apartment buildings, townhouses, commercial buildings, light industrial plants and two parks. Secretary Romney rejected St. Louis' officials pleas to raze and rebuild the entire project, fearing a chain reaction in other cities with similar complexes and problems of decay, crime, poverty, and filth.

The moral of this story is that poverty and slums cannot be cured by the creation of huge ghettoes for the poor. Segregating the poor only exacerbates the problem. Instead, they must be absorbed without stigma into a viable community. The ponderous projects so beloved by bureaucracies lead only to worse degradation for the underprivileged.

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

At six o'clock the House took recess.

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AFTER RECESS

The House resumed at 8 p.m.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, it seems that I have obtained the floor by some kind of default.

An hon. Member: Don't knock it.

Some hon. Members: Hear, hear!

An hon. Member: Make this your finest hour.

Mr. Grafftey: We might ask ourselves briefly this evening, at this point of the debate, exactly what is the subject with which we are dealing. It seems to me we are talking about decent housing for Canadians. Surely at this time in our national life, no matter what a person's income, his right to decent housing is a basic right, just as is his right to clothing, food and humane and decent medical and health services. As a matter of fact, it has always been my view that in discussing housing we are discussing the very health of our nation. It has been said long before I say it in the House tonight, that the state of a nation's civilization can be judged to a great extent by the way it houses its people.

We often boast in Canada that we have the second or third highest material, economic standard of living in the world. This might be true, but it is of very little significance in respect of the 500,000 Canadian homes which by any standard must be deemed as substandard. It is of little comfort to the 500,000 Canadian families who by any international or national measure are living this very night in substandard housing.

In the province I have the honour to come from—Quebec—a constituency of which I represent in this House, it is deemed that one third of the houses occupied by families in the province are by any definition whatsoever substandard. It is very nice for us to play with statistics and to go around boasting that we have the second or third highest economic standard of living in the world, but I do not think we should be terribly proud of the facts I have cited.

What is the situation today? The minister can boast month in and month out about the fine job this government is doing in the housing field, but in cities such as Toronto and Vancouver only 5 per cent of the people can afford to buy houses today. Does this say much for the humaneness of government policies in the housing field?

● (2010)

I have the honour to represent a largely rural riding in this House of Commons. We have been promised by one minister of state for urban affairs after another that something will be done about the situation. No matter where they sit in this House of Commons, I am sure members of

the NDP, the Conservative Party and the Liberal Party would have to say what I am about to say. We have voted millions and millions of dollars on the floor of this House of Commons, and before any of these moneys are voted into the rural areas they are eaten up in the large urban areas. It is only right that the urban areas in our kind of country should have in many ways a prior claim, but not such a claim that people living in a rural atmosphere have no claim on the treasury when it comes to obtaining loans from Central Mortgage and Housing Corporation.

Today in this House the minister spoke of the assisted home ownership program. I do not want to knock it, but it has been going on for a long time now and I note that not too many Canadians in the lower income brackets have applied for it or could meet the criteria, for the fact is, vis-à-vis the home ownership program, that once all calculations are made we are told that the cost of a house under the program cannot surpass $26,000. With the notable exception of the greater metropolitan area of Montreal, in no major urban area can one buy a house on a decent lot for $26,000. No matter who one speaks to, whether on this side of the House or the other, or officials involved in housing, we know that by the end of this century the demand for housing will have doubled.

What is even worse is that the average price of houses sold in Canadian cities in 1973 had increased by 20 per cent in relation to the price in 1972. What is another fact that we must look into vis-à-vis home ownership in Canada today? Generally speaking, from coast to coast, in order even to begin to contemplate buying his own home a person must have an income of $17,000 a year. What does this say about the humanitarian approach of the government in respect of supplying decent housing for the great mass of Canadians? We have said time and again that decent housing and shelter for all people is a priority social and economic item.

Mr. Basford: Do you have a program?

Mr. Grafftey: If you would take the trouble to read our program precisely and completely, you would see that it is a positive program.

Mr. Basford: The hon. member for Calgary North (Mr. Woolliams) has not even read the program.

Mr. Grafftey: Mr. Speaker, in the short time allotted to me I do not wish to give a litany of the problems. However, any member of parliament merely has to go back to his riding to find out that apart from inflation and maladministration of the unemployment insurance fund, housing is a basic, gut issue on the lips of every Canadian. What is the answer from this government and this minister? Another $100 million study. If there is anything this government and preceding Liberal governments have done, it is to give us a litany or a dictionary of what I might call delay procedures in the form of studies in general instead of action.

Mr. Corbin: You are killing time.

Mr. Grafftey: If I seem to be killing time, I know how frustrating this is to Liberal backbenchers. They see the writing on the wall. What have we had vis-à-vis housing from this government? We have had royal commissions and federal-provincial conferences. Under one, Mr. Nicholson, we had a housing symposium. We have had parliamentary inquiries, green papers, white papers and task forces. We had the Pestalozzi College experiment and the Rochdale experiment.

Let us look at a short list, under this government and the present minister, of studies we have actually had—studies, not action. I notice that members on the backbenches look a little unhappy because I am sure their constituents have spoken to them about the housing problem. We have had a study on housing in Canada, market structure and policy performance 1971. We have had a task force on housing and urban development, January, 1969, another study. Then there have been the new National Housing Act programs, 1971, and the federal-provincial conference on housing.

This is an esoteric one, Future Process of Policy and Program Development under the present minister. We have had an annual conference on housing and urban development. We have had the mid-Canada development conference. We have had the Canadian housing statistics, Central Mortgage and Housing Corporation, and we have had the Central Mortgage and Housing annual report, as well as projections for the future. We had all these studies before the present one involving $100 million. Then there is the special $200 million, low cost housing program study. We have had a site planning study for mobile homes. We have had a review of the rent to income scale for public housing units. We have had a study on housing and people by the Canadian Council on Social Development. Then there was the Architecture Canada study. We also had an inquiry into where the $200 million went, by the Canadian Council on Social Development.

Back in 1968 I had the honour to represent the Leader of the Opposition (Mr. Stanfield) on the federal task force looking into housing and urban affairs.

Mr. Basford: Who led that?

Mr. Grafftey: The very honourable and progressive minister of the time. If the government had paid attention to that report and to the minister at the time, it would have been far better off, believe me.

Mr. Basford: What did you say about it at that time?

Mr. Grafftey: If the minister would read the reports he would learn what I said about it. In a non-partisan way I said it was an excellent report. But the Prime Minister (Mr. Trudeau), aided and abetted by the now Secretary of State for External Affairs (Mr. Sharp), said there was no housing crisis in Canada. I doubt that the Prime Minister had visited very many low income people from the Atlantic to the Pacific.

● (2020)

Let me return to my thesis. During the task force study from city to city we heard about modular housing, about new methods of building and about condominiums. We even heard men like Buckminster Fuller projecting for that task force what housing could and should look like before the beginning of the next century. The Liberal

government of that day spent a good fraction of that $100 million studying housing, and the answers were clear if only the government had had the will and the backbone to act.

After all this list of studies in face of the problems we have, what do we get? Ten days ago in this House the minister, no matter how much his parliamentary secretary apologizes to us, announced in effect another $100 million study. What will this do for the low and middle income people of this country who cannot wait ten years for the minister to complete his study? They want housing today. If this government would only stop the waste in so many of its other programs, and run an efficient ship, we might do something about interest rates, which includes interest rates on mortgages, and we might with the municipalities and the provinces do something about serviced land.

Does this minister blame it on other countries and say that pressures from outside affect the high cost of housing, just as does the Minister of Finance (Mr. Turner) who tells us we cannot do anything about inflation because it is a universal problem and we have to ride with it? Or does not the minister really think, as does the leader of our party who has sat with municipal authorities and heads of the provinces, that he could do something about providing lower cost serviced land? Does he not think, in a spirit of bipartisanship, of adopting at long last our proposal to abolish the 11 per cent sales tax on building materials? That is most important.

It is my view that so long as there is a general, high rate of inflation in this country due to the irresponsible monetary and fiscal policies of this government, land interest rates and the general cost of housing will continue to go up and up. Because of their intangibility, they will always be, in my view, an inflation leader as are gold, silver and other hard commodities. It is my view that the housing policy of the present government is responsible for a great deal of what I call legitimate social unrest. It is the major source of apprehension about the future of many of our young people. It threatens the financial independence of the family unit and, what is worse, makes us a nation of debtors. In this moral climate housing is being put out of the reach of most Canadians. In my view, under the housing policies of this government we are now into another kind of age, especially for the low and middle income people—a new age of serfdom and servility.

I am very glad to note, however, that tonight we have a real chance that the party to my left will support our motion because the housing spokesman for the NDP, after the minister made his recent announcement, described the program as involving "the wrong spending at the wrong time and in the completely wrong area". He stated, in reply to the minister, that nowhere was there any indication that the government intends, at least before the budget is introduced, to move in a serious way to deal with the housing situation. He said there is every indication that in this area of policy we are saddled with a do-nothing government. So I do not expect the members of the NDP tonight to support a do-nothing government, a government which once the housing bill was passed last spring presumably decided that enough had been accomplished.

The housing critic of the NDP went on to say that he wished to put forward his reason for believing that the government's attitude is palpably absurd, that indeed it involves a serious question of social morality and the government has copped out altogether on this issue. I do not think that tonight the members of the NDP will support a government which has completely copped out in the housing field. The member of the NDP went on to say: "The minister said he wants this conference to be known as Habitat 2000". Well, people in my riding want houses before the year 2000.

Some hon. Members: Hear, hear!

Mr. Grafftey: He went on to suggest that all this program will mean is $100 million down the drain—of no help to people in meeting housing requirements in Canada. Will the NDP tonight vote to put $100 million down the drain? Mr. Howe used to say, "What's a million?" Today, if they vote with the government, the NDP will be saying; "What's $100 million?"

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

• (2030)

[*Translation*]

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I should like to point out that it is rather difficult to speak as pessimistically as the previous speaker. I wonder if this is not due to the fact that members on this side of the House can finally rejoice at the fact that some people believe that we have to act now to solve the problems of the future for urban Canada.

My illustrious colleague has spoken strictly about building and not about the urban movement phenomenon of 1961, when we were building dormitory cities and rows of bungalows, which created problems at the municipal level. A few years later, municipal unity had to be established to make the situation viable and to avoid collecting the maximum amount of taxes at the municipal level. In my opinion, those are the kinds of problems that we must face immediately.

Mr. Speaker, the urban constituency of Longueuil is situated on the south shore some twenty miles from that of the previous speaker but however, I do not share his pessimism. If you allow me, I would like to quote a few examples. The City of Longueuil had some 90,000 inhabitants in 1969. In four years, the Central Mortgage and Housing Corporation invested there over $89 million. If this is not taking care of families, of people and citizens who really need houses, I wonder how we must invest our money and what else we can do to help them buy a house.

It is quite easy to say: The people are poor, they are not in a position to buy a house. Mr. Speaker, when one has lived the problem, one really knows what it is. It is not necessarily one of lack of money or means because, in the province of Quebec, $35,000 or $40,000 houses were built before, and Quebecers dreamed of one day owning their own home. Today, Quebecers can own a home thanks to the federal government. They can afford one if they make an annual income of $6,000, $7,000 or $8,000.

Mr. Speaker, to my mind, if the inhabitants of the riding of Brome-Missisquoi cannot afford a home on an annual income of $5,000, $6,000 or $7,000, the hon. member is not doing his job. He should prove to us that the present legislation does not allow low-income workers to purchase a home.

Mr. Speaker, if one studied in depth the proposals of the Minister of State for Urban Affairs, if one went to the trouble of reading his statement, one would realize that he is really aware of the situation, for he wants investments of $100 million to be made over a fairly long period of time. He is aware that practical problems must be solved and that it is not a matter of studies, far from it. He is also aware that decisions must be made on the type of projects that will be accepted.

First, the projects under consideration will have to be geared to the solution of definite problems, contrarily—he said it openly—to those which do nothing more than determining, defining or analyzing them. They are not studies but practical applications, Mr. Speaker.

Second, a project must be applicable to most of Canada. Such quality will be judged in terms of the degree to which the project principles may be applied to other areas of the country. The minister is fully aware—he is as smart as anybody else and he knows his country—that there are different regions in Canada. And that is also written. I think that people did not bother to read it.

Third, a project must innovate and steer away from traditional practices. Now who is able to warn us about dangers which will crop up in 5 or 10 years from now as a result of today's building methods? Few hon. members here can do so.

The investment that this government intends to make is one that will permit practical research. There is a difference between carrying on research on paper and implementing it immediately. I suggest that this is the most important point that should be examined.

And they say that every demonstration project will have to meet at least one secondary criterion. Certain projects must show evidence of co-ordination and co-operation between two or more government levels. I suggest that the minister is already aware that the phenomenon of urbanization on the south shore of Montreal which I represent, as in Toronto or Vancouver, has taken a few municipal administrations by surprise. Toronto has banned the construction of highrises but elsewhere they try to advocate it.

Mr. Speaker, if need be the Minister of State for Urban Affairs (Mr. Basford) should impose restrictive measures so that in 5, 10 or 15 years, we do not repeat the mistakes that were made before 1961, when the middle class was building dormitory towns, when it was impossible for a workman to buy a house. Before 1961, all the necessary components of a policy had not been put together in order to really enable people, large families who really need a shelter, to buy a house.

Today, thanks to the steps that were taken since 1968, more and more people can afford to buy a house. If we read the non-confidence motion that was put forward today, I suggest, Mr. Speaker, that we are far from taking into consideration the people who need a house. On the contrary, more attention is being given to the desire for power, they try to take all kinds of means to that end at the expense of the people who cannot afford to buy a house.

When we try, through coercive measures, to provide people with necessary tools, a non-confidence motion is being put forward, while we are spending $100 million in an attempt to facilitate the purchase of homes and to find a solution to urban problems. Again I say they are not necessarily construction problems, but rather social problems. Many factors are involved. Today, cities are being build along the shore of the St. Lawrence River. It is a shame but all the sewers are flowing into the river. This is what is happening. In view of the project announced and of the optimism demonstrated by the Minister of State for Urban Affairs, I think that in Canada, in Quebec, in Longueuil, we will succeed in enabling all those who really want a house to buy one even though they earn $4,000, $5,000 or $6,000.

We should once and for all be logical. I hear millionaires speaking of poverty, I hear filthy rich people in Parliament speak about a poverty they have never experienced. They have never known poverty and they are labouring the point at the people's expenses. But, on the contrary, they should try to settle real problems. Let us set aside partisan issues. If they try to obtain power at the workers' expenses, as tonight, Mr. Speaker, I say it is disgusting.

[*English*]

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I listened to the debate this afternoon with a great deal of interest. I found certain phases of it very amusing. The hon. member for Brome-Missisquoi (Mr. Grafftey) based his speech fundamentally on our ideas, and when he could not copy from us he used empty rhetoric. He did not tell us what he believed in.

The previous speaker talked about getting away from conventionality, or something like that. Mr. Speaker, why do we need to get away from the conventional? We have a lot of ideas about building and we should continue to pursue those ideas. We certainly do not need to import ideas about building from other nations whose climate is quite different from ours.

A few days ago the minister announced an innovative housing program. I think the $100 million involved is merely a sop, but I do not think—neither do my colleagues—that it is a matter upon which to call an election

An hon. Member: What is?

Mr. Nesdoly: When the time comes, gentlemen, you will know. Yesterday's motion dealt with urban needs. Today's motion deals with the same topic. What bothers me as a member from a fairly far-flung riding is that the Liberal and the Tory parties are not too concerned about rural and small town needs. About 30 per cent of Canadians do not live near huge urban areas. I should like to give some statistical information on that point later.

● (2040)

Mr. Speaker, I have heard a lot of talk about repealing the 11 per cent sales tax on building materials. I would endorse such a move if I could be sure that the savings

would be passed on to the consumer. The people of my riding remember what happened four or five years ago when an 11 per cent or 15 per cent sales tax on drugs was repealed. The price of drugs dropped by about 3 per cent for six months and then crept up again to dizzy heights and has not come down since. If we can find a way to ensure that the tax savings would be passed on to the consumer, I would be in favour of it; but I do not believe the Tories have any notion of how to do it.

Mr. Speaker, perhaps the government could use as an example what was done by the government of Saskatchewan a number of years ago when they gave a grant of up to $800 to anyone whose income was under $8,000 per year and who built a home. That took care of the sales tax. Perhaps this government could do it by giving a rebate to people who require it.

The hon. member for Calgary North (Mr. Woolliams) was rather amusing when he spent most of his time quoting from the speech of the hon. member for Oshawa-Whitby (Mr. Broadbent). I am glad that the hon. member for Oshawa-Whitby is considered the housing spokesman in this chamber. The hon. member for York-Simcoe (Mr. Stevens) today asked a question about decreasing the interest rates on house mortgages. Where was he six or eight months ago when the NDP had an amendment on the mortgage financing bill to lower interest rates? At that time the Conservatives lined up with their Liberal friends.

Mr. Basford: They were opposing it most of the time.

Mr. Nesdoly: The hon. member for Saint-Hyacinthe (Mr. Wagner), the boy wonder of the Quebec Conservative Party, the miracle man, the hoped for Messiah, is going to be in for a surprise come the next election.

An hon. Member: So are you.

Mr. Nesdoly: The hon. member for Laprairie (Mr. Watson) assumes that buying a house will always show a capital gain. Houses have been showing capital gains in the last year or so, but in the last 15 years I have seen them sometimes drop in value quite drastically and then go up again. We cannot work on the assumption that houses are always going to go up in value and that we do not need to worry about continuing capital gains.

The hon. member for Victoria (Mr. McKinnon) says that socialists see only quick solutions. A lot of the solutions found in this country today came from the socialists. We are few in number but we think a great deal. In British Columbia the right-wingers were virtually giving land away to speculators before the socialists put a stop to it. The hon. member for Victoria complained about the eyesore in Victoria. What were his friends on city council doing, I should like to know. I have been a member of town council long enough to know that through their bylaws councils can control what is built. Let us not blame a 20-storey concrete eyesore on the federal government.

My main concern today, Mr. Speaker, is the problem of rural and small town housing. Far more should be done to encourage small rural communities rather than patronizing the cities and large towns, although we know that they must be patronized to a degree. Sometimes I think the government should embark on a policy of zero growth in urban areas, telling people, "We are going to create new cities and perhaps our problems will be alleviated or will disappear."

I think the constituency of Meadow Lake is typical of rural or northern Canada. I am sorry that I do not have statistics for all of Canada, but about two weeks ago I received a pamphlet from Statistics Canada based on the 1971 statistics for housing, population, etc., in the Meadow Lake constituency. I should like to quote some of these figures because I think my constituency is representative of many rural and northern parts of Canada.

In our constituency there are 12,590 households, 530 of these having more than ten persons. There are 5,150 households where the income is under $3,000, and 3,695 family heads have an income of under $2,000 while 915 family heads have an income of over $10,000. There were 12,585 occupied dwellings. Of these, 1,340 had two rooms or less. That is approximately 11 per cent of all dwellings in Meadow Lake. I have visited some of these, Mr. Speaker, and some still have dirt floors. There are 6,095 dwellings with running water and 6,490 dwellings with no running water. That is, more than 50 per cent of the people in many of the rural and northern areas of Canada do not even know what running water is apart from the water that runs in the streams.

There are 7,410 dwellings with no flush-toilet facilities. That means over 60 per cent of dwellings have outdoor privies. Some, 3,110 dwellings, or 26 per cent, are heated by wood. Certainly those people did not have to worry about the energy crisis this winter. There are 3,170 dwellings which depend on springs or rivers for their water supply. That is, about 30 per cent of all dwellings have to get their water from the lakes or rivers. This is why we have the occasional outbreak of amoebic dysentery and other forms of dysentery. It is caused by the impure water supply.

Many people cannot afford decent homes or any home except a log cabin or a shack. They just do not have the money. So I think one of our first goals is to see that they get a decent income. I think we also have to see that they are not faced with a 9½ per cent or 10 per cent interest rate. It has to be much lower than that, or perhaps nothing at all. The hon. member for Broadview (Mr. Gilbert) said yesterday that some very wealthy people get by with paying only 6 per cent interest. Today I found an interesting article while doing some research. An article entitled "Rich find new way to dodge taxes" has a dateline "Montreal, CPA" and reads:

> Company executives who have been deprived by new tax laws of tax-free stock option profits have found a new way to beat the tax collector.
>
> In a letter in the Financial *Times* issue of February 25, a Thomas S. Smith of Barrie points out that companies are now lending executives interest-free mortgage money with which to buy homes. The saving in interest payments is the equivalent of a tax-free hand-out.
>
> Mr. Smith points specifically to the current financial report of Massey-Ferguson Ltd. which, he says, informs shareholders that four officers of the company have received, "as loans, a total of $472,400 to assist them to buy residences, that they may pay this money back over a period of 25 years, that such loans are permissible under the Canada Corporations Act and that they are interest-free."
>
> Mr. Smith also reports that four other directors of the company split "annually a total of $754,112 and in addition are guaranteed on retirement benefits totalling annually $243,271."

● (2050)

Here we have extremely wealthy people building monumental mansions worth over $100,000. They do not pay interest. The same people who are drawing such wages at Massey-Ferguson are charging high prices for their farm implements. The farmers of western Canada know this only too well. People working in the prairies, the north, northern Ontario, New Brunswick and the forests, fields and lakes produce the wealth of this nation, yet we as parliamentarians expect them to live in substandard housing. The wealth of this nation is created in the hinterlands and backwoods, not in the cities. I think a lot more money has to be pumped back into the hinterland.

An hon. Member: Who is responsible?

Mr. Nesdoly: It is the responsibility of governments of the last 100 years who have used the hinterland as a source of capital to build magnificent mansions and factories in the cities. I am not against the cities, but let's return some of the money from whence it came.

My home town of Shelbrook had a land assembly project about ten years ago. It was a federal-provincial-municipal deal. It was a good project. There are still lots 64 feet by 120 feet available for $2,350. People would not buy them because they are on the edge of town. Instead, they bought lots in town. The lots in town are now about the same price as these, so I am sure they will be sold. People can pay $1,315 down and the rest over a period of 15 years.

The land assembly projects in some of our small towns and villages are excellent if they have a degree of flexibility. One problem has been lack of flexibility. When I was on town council we asked Central Mortgage and Housing Corporation authorities whether we could buy unused lots scattered throughout the town. We were told we could not do that, we had to buy lots that were all in one place. If we could have done what we asked, those lots would have been built up.

Officials who have lived in Saskatoon, Regina, Ottawa, Montreal or another city all their lives do not appreciate the lifestyle of rural and small town people. I plead with the government to put some flexibility into its programs. I say, listen to the advice of the local councils because these are usually pretty shrewd people. Land is not much of a problem in Saskatchewan because we have some very farsighted city councils in the province. Five or six years ago a royal commission held up Saskatoon as a model. Why? Because 20 or 30 years ago the city of Saskatoon bought thousands of acres of land around the city. It was kept out of the hands of speculators. It is still possible to get a reasonably priced lot in the city of Saskatoon. However, where the land was allowed to fall into the hands of speculators, land prices soared out of sight.

The town of Meadow Lake had a housing problem. The worst off were the low income people: there was a shortage of houses for them. New legislation was passed and new regulations were put out by the government. People looked forward to the neighbourhood improvement program and the assisted home ownership program. On paper, these programs look fine. Unfortunately, they received more publicity than they deserved. There is a problem in rendering the services which were advertised. It is necessary to wait a long time for them. This is because the people who provide the services live far from the community that requires them. It seems to be difficult to get our bureaucracy moving. This town needs a land assembly project but the program is slow in moving. There is a Saskatchewan Housing Authority which is very active. I have written to them. They advised me that the federal government is slow in releasing funds. The housing authority wants money for land assembly. Why are the funds not being released to the small towns and villages? If this is going on in Saskatchewan, I imagine it is going on throughout the country.

I have been told by town councillors that CMHC has too many regulations. They claim that all too often CMHC finds regulations to hide behind. Perhaps the thinking of small town people about CMHC is best summarized by the words of an editor of a small town newspaper. I quote from the July 25, 1973, edition of the Meadow Lake *Progress*:

> Central Mortgage and Housing Corporation policies are misunderstood by most citizens of this country. Many people believe the purpose of CMHC is to help people obtain homes who couldn't otherwise own a place of their own.
>
> Actually, nothing could be further from the truth.
>
> CMHC policies are set to allow large lending institutions to loan money at a high rate of interest with absolutely no risk to the lender. There is no protection for the buyer built into their policies.

I understand there is some protection built into the new act and I hope it will be used.

> At one time only those who could not obtain mortgage money through regular channels could qualify for a CMHC loan. Now CMHC does not loan money to home owners but only guarantees the repayment of loans which the lenders make.
>
> If you wish to purchase a home and can't pay cash, you apply to the local bank. The bank accepts an application which asks that all assets be listed, and also for references. This application is then processed by the bank and CMHC. If approval is given you are then entitled to borrow from the bank at between 9 and 10 per cent interest.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. S. Victor Railton (Welland): Mr. Speaker, many of the comments from the other side of the House have been very reactionary. The party is known as "progressive," but I cannot see where it has shown that today. They feel that what was good enough in the past is still good enough. They have a laissez-faire attitude. They are not at all interested in innovation or trial runs. I certainly support the government's proposed fund for innovation in housing. The opposition surely should be aware of what it is trying to do. On one hand we have the problem of land and housing supply, with maintenance of urban communities and the quality of urban life; on the other hand we have the energy crisis and our continuing ecological problems. It is really almost an ecological conundrum.

I am convinced that all levels of government are prepared to work together. This has become the fashion. It is long overdue. I think we could suggest there is now a community of interest developing among and between governments as well as the private sector. We heard suggestions at the federal-provincial energy conference for a national power grid and a national industrial policy. Both have ramifications far beyond their immediate goals.

We cannot isolate industrial development from regional development, and regional development implies urban development.

● (2100)

The energy crisis is a warning that we must plan our national development better than we have in the past and that we must make the best use of our natural environment. The energy dilemma shows that we need to arrange our human activity nationally for optimum value with minimum waste of energy and resources.

I think one can say that the problem is the high cost of organized services. We can provide huge sums of money through CMHC for the servicing of sewage, we can devote money to land assembly programs and the other programs which have been mentioned; but we must realize that looking after sewage, water services, transportation and energy transmission is an immense undertaking. If we each took the time to go over our own communities and study the plans of the great arteries and trunk sewers underlying them, we would realize just where those millions of dollars have gone.

I am sure the department concerned with urban affairs is working to find new ways of solving the sewage problem and it is my view that within a reasonably short time complex problems such as sewage treatment, the size of sewers and the amount of water we waste in them will be overcome. This will probably take ten years or so. It is all part of a progressive and innovative program.

The demonstration program is not restricted to hardware solutions. We need better methods of regional planning, better and more artistic architecture and model land development. There is room in the plan for private industry which will find it worth while to consider carefully the opportunities presented and the funds made available to develop urban areas in an imaginative way. It seems to me the building and development industry has for a long time been demanding solutions from the government, yet every year 99 per cent of the developers come up with the same tired proposals, the worn-out clichés, the attitudes of the twenties and uninspired designs. The new plan would allow them a sensible amount of room for innovation.

I should like, now, to turn to another subject which interests me. I think we should consider not only practical matters such as land servicing, sewage, water supply and so on, but the artistic side—architectural beauty and the planning of our communities in such a way that we shall be proud to live in them and people from outside will be attracted to them.

Recently I was in Teheran. Near the airport they have a beautiful monument made of a series of arches. They held what they called a "no names" contest which was won by an architectural student who had submitted the best design for the monument. We could learn something from this. We are not bound to depend on established architects here in North America. A lot of people have good ideas and I think they should all be listened to, whether they are recognized as being important in their field or not.

The development of the national capital of Ottawa is receiving a lot of attention and would require planning over a long period. Hon. members will forgive me for referring to Ontario, but I think the Toronto civic centre is a good example of a beautiful urban centre. I was taken aback at first when I saw the two buildings there. I guess it is inconvenient in some ways, but there is Henry Moore's "Archer" as the centrepiece. I think it is one of the best civic centres in North America. One only has to go to Paris, France, to see a beautifully planned city. It would be a shame if a lot of it were torn down. The central idea should persist even if some of the buildings are modernized.

We all have to do a little bedside reading to try to get away from this contentious place. I have been reading Bernard Berensen. Maybe all members have read his "Passionate Observer." He takes you to countries in Europe such as Italy. He shows you how ancient, medieval and modern buildings all blend in together. I think we can all be too taken up with the idea of demolishing and tearing down the old. It is important we keep the good things from the past among the modern buildings. And I should like to make a plea that we do not simply go about with a big ball knocking down buildings to replace them, maybe, with modern buildings which are not so artistic. I think the quality of artistic beauty is extremely important.

There is, of course, room in city planning for innovation. Trial communities must be established. Our cities should contain the best possible modern conveniences and we should make the best possible use of open spaces bearing in mind traffic flow, public transport and, of course, inspirational architecture. I hope hon. members will forgive me if I refer to my home town of Welland. There is a peculiar situation there; part of it is caused by the canal. Again, I hope hon. members will pardon that reference. We must do something about this canal which we abandoned. This will call for not a three-level but a four-level effort involving the federal government, the provincial government, the region and the municipality.

I make a plea to the minister. We all know that the big cities are overgrown. Nobody in Toronto or Montreal wants to see their city grow much more. In fact, concerned citizens are worried about their continuing growth. What does this mean? It means that satellite cities are needed, cities which are well built and well planned. There are many cities around Toronto, such as Kitchener, Galt, Brantford, and Hamilton is a big city on its own. Then there are St. Catharines, Welland and Niagara Falls. There is plenty of room in these cities for continued growth until they double or triple their present size. I feel that a great deal of the situation in Toronto could be improved very easily by programs of the nature that the minister has brought forward; certainly they could be implemented on a trial basis.

● (2110)

The dilemma we have in Welland is that we have a waterway that is bothering us. Either we should fill it in or use it for recreational purposes. In addition, we have traffic problems. The traffic situation in Welland has not improved one bit since we stopped raising and lowering bridges. Traffic is increasing each year. People are still trying to cross these bridges in automobiles, and there is only one traffic lane in each direction. What is required is a one-way system as well as another bridge near the Green Street bridge. We need an arterial bridge further to the north. In fact, we need about another six crossings.

The province of Ontario has suggested that a highway be put through the centre of Welland. This may or may not be practicable. Studies have been made of the official plan of the city of Welland and a lot of money has been spent by the city. I do not think we need to spend more money on research and planning. The present committee which was set up to study this matter has been meeting about twice a month. Two of the meetings have been successful and we are now defining our positions. We know pretty well what the public wants. We also know the federal government is not trying to push either the province or the city around but is trying to co-operate, which in my opinion is a fine exhibition of what can be done when the three levels of government get together. I may be an optimist, but I think we will be able to talk this matter over and settle it by mid-summer.

As far as the solution is concerned, I hope that the present plan uses Welland as an experimental area. I am not at all afraid of a little experimentation and innovation. I should also like to see some urban renewal in the form of a beautiful city centre built over this polluted ditch that we have. There is no motion in the waters of the canal. A big causeway has been built to carry both road and rail traffic across it just south of the city, but nevertheless we have a big problem that must be faced by the several levels of government. I hope that even a small amount of the $100 million is used to help solve our problem. I do not want to go into the frustrations we have had over the actual plan, but it is at least gratifying that some work has been started on the project.

I think the impression that this is just a sort of research program is correct. I think all the research on building construction, sewage disposal, water mains, transportation and energy has been done and it is a case of putting all the ideas together. In this regard I am not just talking about my own community.

If I may digress for a moment, we have a large steel plant in Welland and they requested some help in putting in an experimental furnace using pelletized iron ore instead of expensive scrap steel. The Department of Energy, Mines and Resources research branch constructed a model, the idea has been brought to the attention of the departments concerned and it is now being put into practice. It is costing $250,000, in addition to a $100,000 developmental grant put up by the private company itself, to put this furnace into operation. In other words, private developers and builders should work with the government in the building of model communities and in experimenting in civic planning.

Hon. Paul Hellyer (Trinity): Mr. Speaker, first of all I should like to congratulate the hon. member for Calgary North (Mr. Woolliams) on presenting this motion to the House today. It demonstrates on his part a very deep concern for the welfare of the average Canadian and the conviction that it is possible, as well as desirable, that we work together somehow to achieve the situation where clean, warm shelter is made available to all Canadians.

I think he had a right to be indignant at the latest proposal of the minister, which is the subject of the motion. It is a $100 million fluff fund. It will not meet the needs of the Canadian people so far as housing is concerned. It will not help to bring down prices at a time when prices have risen to the point where housing is beyond the means of the average Canadian. It will not help meet the immediate need which has reached in many parts of the country crisis proportions. The proposal is in many ways subject to the charges that have been levelled against it. Somehow the minister seems incapable of understanding and coping with the real housing problems of this country.

It is true, as we have been told, that a great many units have been built during the last three or four years. In my opinion, about 50,000 more units have been built each year as a result of the technical amendments that were made to the act in 1969 based on the task force report. Yesterday I heard it said from the NDP corner of the House that this was not so, or there were intimations to this effect. Nevertheless, I will try to make the case—which I shall not elaborate on tonight in view of the short time allotted to me—that it is in fact due to these technical amendments that we have managed in this country during the last three or four years to increase the volume of new housing construction.

Incidentally, I am sure that the objections of the NDP are well motivated. They are well meaning individuals, but unfortunately very few of them have any practical experience and consequently cannot be expected to fully comprehend just how these highly technical operations work. They do not have the practical knowledge to understand.

So far as the floating interest rate is concerned, may I say it has seldom been higher than it would have been had the statutory limitation been maintained. As a matter of fact, usually it has been lower. The advantage, however, is that funds have been available, and because there was a flexible and quickly adjusting floating interest rate, money was continuously available. This meant that housing projects could go forward and could be completed. The floating interest rate has been a great blessing to the industry and, equally important I would say, it has not cost the Canadian people more.

● (2120)

The other objection raised yesterday during the debate was in respect of the five-year roll-over. This, too, was absolutely essential. Had it not been for the introduction of the five-year roll-over many of the financial institutions would not have invested in housing mortgages and certainly they would have invested less than they actually did. This is particularly true of trust and loan companies which borrow much of their money on the basis of five-year certificates. Without the five-year roll-over provision, much of the money which has gone into the housing market these last few years would not have been available, and consequently the production of housing would have been less by the tune of several tens of thousands of units each year.

I think probably the hon. member for Broadview (Mr. Gilbert) in raising this argument did not realize what he was suggesting. He was suggesting, in effect, that we should lock people into high interest rates for 25 years. Surely the hon. member would not want to do that. Where is that party of the little people? Where is that party of the workingman? Since when did the NDP want to lock the

average small home owner in this country into high interest rates for the rest of his natural life? Is that the best they can do to help the housing situation in this country?

I am surprised, because surely they do not expect present high interest rates to continue. Surely they expect a government to be elected in this House which is going to get interest rates down. Surely under these circumstances they would be the first to say that the average small home owner in this country should be entitled at the first roll-over opportunity to the benefits of these lower, declining interest rates. I should hope they would do better than that and I can assure hon. members that the next government of Canada will get these interest rates down, and then we will hear a different tune from our friends in the far corner. What they are proposing is a real tragedy, namely, a burden which could be crushing to small home owners in Canada. I will return to the question of interest rates later, Mr. Speaker. In the meanwhile, I should like to talk about land banking.

The time to have acted was five years ago when the task force made its report. The hon. member for Don Valley (Mr. Gillies) was a member of that task force and he made a very real and very considerable contribution to the writing of that report. The hon. member for Brome-Missisquoi (Mr. Grafftey) was an unofficial member of that task force. He travelled with us from coast to coast. He often rode with us and he listened to our deliberations. Interestingly enough—I think this is important—he came very largely to the same conclusions as did the members of the task force and he was very much in sympathy and in harmony with the recommendations made and published in the task force report.

An hon. Member: Did you say that at the time?

Mr. Hellyer: Yes, as a matter of fact I did. Although land was expensive five years ago, it was not outrageously expensive. Perhaps it was a little bit outrageous, but certainly not as outrageous as it is at the present time. I should like to give an example in Toronto. Not only is it the city, part of which I represent in the House of Commons, but it probably represents the extreme case. In Toronto, in the spring of 1969, you could buy a standard serviced lot for about $10,000; in some cases a little more and in some cases a little less, but approximately $10,000 for a fully serviced lot 50 feet by 120 feet. What is the price today? The same standard lot 50 feet by 120 feet in metropolitan Toronto costs today $35,000. In only five years the price of the standard minimum lot in metropolitan Toronto has escalated from $10,000 to $35,000, and every house purchaser in metropolitan Toronto is today paying $25,000 more for his or her house because of the failure of this government to act five years ago.

Some hon. Members: Hear, hear!

Mr. Hellyer: The task force could see what was going to happen and I could see what was going to happen; and of the recommendations to cabinet on February 14, 1969, the most important was the one which would make available to the municipalities 100 per cent financing for the acquisition of land and—and this is important, Mr. Speaker—for the installation of sewers, water and roads so they would have available an inventory, not just a moose pasture, of lots which could be easily converted to suit the housing requirements of the people of Canada. The government, in its arrogant blindness and callousness, could not or would not act.

Some hon. Members: Hear, hear!

Mr. Hellyer: People ask why we have runaway inflation today. It is due to this kind of lack of foresight, because nothing could have had a greater impact on the cost of housing in the metropolitan area of Toronto than this escalation of $25,000 a lot in the period of five years. Of course, the extra cost with regard to other types of accommodation is more or less parallel, because whether it be for apartment buildings, for semi-detached or condominium type accommodations, the increase in cost is approximately proportional to that increase which is incredible in its magnitude.

The minister said this afternoon he has federal-provincial types of land banking arrangements and he is now entering into federal-municipal land banking arrangements. I wonder if this government will ever learn. I have reason to doubt it.

An hon. Member: Not this one.

Mr. Stanfield: Not these fellows.

Mr. Hellyer: Why does it have to meddle in the internal affairs of the provinces and the internal affairs of municipalities? Does CMHC have to have its fingers into every pie? Why cannot the government of Canada adopt a policy similar to that recommendation of 1969? It was a recommendation, the great feature of which was its simplicity, under which money would be made available instantly to the municipalities to do the job that is theirs under the constitution of Canada. The government of Canada would restrict its activity to its own responsibility, which under our constitution is the money and banking aspect.

If under our constitution the government of Canada would keep its nose out of other people's business and do properly its own business, living up to its own responsibilities, then we could make some progress in this country toward solving the problems that face us. The government has failed in its responsibility. Joint land banking is too slow, too complex and too expensive. It is all right to start now—better now than never, I would say, and better now, certainly, than leaving it for two, three or four years to expand land banking activity—but that does not meet the immediate need of this country, and that immediate need is serviced land. The municipalities of Canada need sewage and water systems and roads now.

An hon. Member: Not tomorrow.

Mr. Hellyer: It is not good enough to buy some swamp in the outskirts of Ottawa which can be developed in years to come, as the government has done. Although we are delighted to know that the government is going to finance a building in Toronto where the sewage will be recycled and the water will be used over and over again, by the time the system has been perfected to the point that it will have commercial application and use universally on a wider scale, precious years will have gone by. I repeat, to

solve the supply problem the minister must make sure that the municipalities of Canada have the funds necessary to provide sewer and water systems and roads now.

● (2130)

The government of Canada should make more money available now to the municipalities in order that they can meet their financial requirements. The government of Canada should consider the possibility of writing off part of their costs. If on the other hand they find that the municipalities are still strapped, they should consider writing off the total cost until the situation is under control and until the price rise has stopped and the people of Canada have an opportunity to live, breathe, be decently housed and look after themselves and their families.

Where would the money come from? Some could come from unemployment insurance or from the LIP program or the Opportunities for Youth program. Surely some of these people are capable of participating in the manufacture of concrete pipe. Surely some of them have the capability to drive a bulldozer or a truck. Surely some of these people are capable of operating backhoes. Surely some of these people are not only capable but would welcome the opportunity to use their creative talents for something worth while in this country.

Some hon. Members: Hear, hear!

Mr. Hellyer: There are many places the money could be found if the government only had the will to get on with the job.

Mr. Stanfield: Productive expenditure: they do not understand that.

Mr. Hellyer: Some municipalities need help in respect of their transportation systems. Certainly research is necessary. I am one of the first to say that research should be done in the field of public works. but much can be done without any great new breakthroughs in technology. Toronto must have an extension of its public transportation system out into the open land as a way of solving the housing problem. Some would say the same thing about Vancouver if it had a public transportation system.

Perhaps the minister should start working right away to see what can be done about meeting the need to provide the funds for necessary transportation systems. Many things could be done. The minister should talk the government into adopting the incomes policy recommended by the Conservative Party. There is no way interest rates will come down until inflation is brought under control. There is no way inflation will be brought under control so long as the minister goes along with his laissez-faire, status quo type of policy which has been proven not to work. Consequently, the accent in respect of housing and urban development should be by putting pressure on his colleagues to adopt the Conservative policy in so far as incomes are concerned to bring inflation under control and to bring interest rates down.

The minister should use some of his persuasive powers to get the provinces to adopt a standard building code. He could persuade the Minister of Finance (Mr. Turner) to reconsider his intransigent attitude in respect of the 11 per cent tax on building materials. He could persuade the government once again to establish a program—not just talk about it—to finance urban transportation systems. There are many things the minister could do, but he seems incapable of learning.

Recently, for example, we drew to the attention of the minister the problem in respect of the co-operative colleges in Toronto and some of the things that went wrong there. We understand that the minister had a secret report prepared which he refuses to let us look at. We also understand that some charges will be laid in that regard. Now we see another example of co-operative housing which is not really co-operative housing because it does not involve any participation by individuals in a real, tangible way. It involves no sweat labour as was the case in those noble Nova Scotia experiments. Consequently, it is another case of middle-class rip-off by individuals who take no risk and enjoy playing with other people's money.

We are adopting projects in Toronto described as co-operative housing which in fact represent high-cost housing. The rents will be higher than the market cost, in spite of the many subsidies. All that is happening is that the minister is fooling the people with these programs and the notion that non-profit housing can be equated with low cost housing, which it cannot. It would be far better if the minister would take 80 per cent of this money right away and put it into the things necessary to get the situation under control, namely, the sewer, water, road and other facilities across the country necessary to increase the supply of serviced land and get the cost of housing down so that Canadians once again will have a chance to look after their own needs.

The minister complains about the market not providing houses except for middle-class people, the middle area. Well, this has a certain ring of truth to it because of the impediments put in the way of industry by various levels of government. The minister should spend his time removing the impediments instead of trying to hoodwink the people into believing he is doing something. The minister should be tackling the real problem before him. This $100 million program is nothing more than another attempt to hoodwink the people. It is diversionary action. The minister has funds available to him; they have been in his budget all along. This $100 million has more the flavour of an election fund in the sense that some monuments which will be built will do more to facilitate his re-election than to solve the housing problems. It makes a farce of the Election Expenses Act. The minister should get on with the important task. Better still, the House should demonstrate its lack of confidence in this government so the people can elect a government that will take action.

● (2140)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, it is a pleasure for me to say a few words on the motion before us. Mr. Speaker, this motion asks that the House repudiate, and I quote:

> ... the $100 million Urban Demonstration Program as a diversionary tactic and clearly ineffective to assist in solving the existing housing crisis and accordingly has no confidence in the government.

That does not mean, Mr. Speaker, that we have no confidence in this government, but we know that this amount of $100 million will not solve the present housing problems.

Mr. Speaker, $100 million are to be invested in Canada for research so as to determine the needs in the building field. Mr. Speaker, we have known those needs for a long time. We have known for a long time that the Canadian people are unable to find decent housing and that they are being exploited on account of the usurious rates of interest of the Central Mortgage and Housing Corporation and other financial institutions. I say, Mr. Speaker, that the CMHC is in collusion with all other financial institutions to exploit people in need of a home. Housing is a basic necessity like food and clothing. The human being needs a shelter. It is an essential need. The state has never been concerned about the basic needs of the citizens. They are exploited out and out. It is a shameful abuse for a government to have a Central Mortgage and Housing Corporation in collusion with other institutions so as to exploit Canadian citizens without restraint, Mr. Speaker.

Mr. Speaker, every man must have his own house, furniture, his personal belongings and all his own work tools. It is the personal ownership of his property which enables a man to settle on a piece of land and organize his life and the life of his family around it. It is because of this property that he may realize that he has something in common with the physical universe.

The aim of society, Mr. Speaker, is not to make projects to gouge citizens in collusion once again with all other institutions.

Mr. Speaker, if life is a trip man must be able to come into port as often as his activities allow him to do so. That port must belong to him and not to somebody else. I will say, Mr. Speaker, and everybody knows that, about 10 per cent of our citizens are really the owners of their housing units or homes; the other 90 per cent depend on Central Mortgage and Housing and other financial institutions charging usurious interest rates.

Central Mortgage and Housing now lends at 10 or 12 per cent. But at 10 per cent, Mr. Speaker, interests double the amount of the loan every seven years. A $10,000 loan produces $20,000 over 14 years, $40,000 over 21 years, $80,000 over 28 years, $160,000 over 35 years.

So any claim that Canadians are being helped through similar institutions and their protection boils down to outrageous and shameful gouging. Mr. Speaker, every citizen is entitled to his little home, his little piece of land, but the way things are going now very few are homeowners. They are all mortgaged for the rest of their lives. They are all people who will never pay for their houses before they die. It would take two or three generations to pay for a house which should cost about $10,000 and now costs $20,000, $25,000, $30,000 or $40,000.

Mr. Speaker, if we want research to be done, if we have money to spend on research, we should use it to grant compensated discounts on building materials. The 11 per cent tax on building materials, which gouges the people of Canada, should be abolished.

We are also subject to provincial taxes, which are added to the mortgages and contribute towards increasing the price of houses. Yet, the government maintains that through the Central Mortgage and Housing Corporation and all the projects that are suggested today, and even through this $100 million that the government wants to use for research—

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but as it is 9.45 p.m., it is my duty, pursuant to the provisions of the Standing Order 58(10), to put forthwith successively every question necessary to dispose of the proceedings, supplementary estimates (B), interim supply and the passage of any bill or bills based thereon.

[*English*]

Accordingly, the question is on the motion. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on the motion (Mr. Woolliams) which was negatived on the following division:

(*Division No. 4*)

YEAS

Messrs:

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Danforth
Darling
Dick
Dinsdale
Ellis
Epp
Fairweather
Fortin
Frank
Fraser
Gillies
Godin
Grafftey
Hales
Haliburton
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Hollands
Holmes
Horner (Battleford-Kindersley)
Howie
Hueglin
Hurlburt
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
La Salle
Latulippe
Lawrence
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Munro (Esquimalt-Saanich)
Murta
Neil (Moose Jaw)

Urban Affairs

Messrs:

Nielsen
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Ritchie
Roche
Rodriguez
Rynard
Schellenberger
Schumacher
Scott
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—96.

NAYS

Messrs:

Allard
Allmand
Andras
Barnett
Basford
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blaker
Blouin
Boisvert
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caouette (Charlevoix)
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Dionne
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Firth
Fleming
Foster
Fox
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goyer
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lang
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Marceau
Marchand (Kamloops-Cariboo)
Matte
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Olivier
Orlikow
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rompkey
Rondeau
Rooney
Rose
Rowland
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Tétrault
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Yanakis—140.

● (2220)

[The Acting Speaker (Mr. Laniel).]

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B)

Hon. C. M. Drury (President of the Treasury Board) moved:

That Supplementary Estimates (B) for the fiscal year ending March 31, 1974, laid before the House March 7, 1974, be concurred in.

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to raise a point of order with respect to this motion to concur in supplementary estimates (B). I might say at the outset that there are several items in the estimates that could be seriously questioned, but it is not my intention to take up the time of the House to deal with the procedural arguments tonight. However, one of the irregularities is so blatant that the item cannot be allowed to pass and my contention will be that the motion to concur in this particular estimate cannot be put tonight.

The item in question is vote 25b of supplementary estimates (B) concerning the Food Prices Review Board, under the Department of Consumer and Corporate Affairs. This item relates to almost $1 million of public funds which are to be appropriated if the motion is passed. The sole description of the purpose of this vote appears on page 16 of the supplementary estimates. Under the heading "Budgetary" we see "vote 25b—Food Prices Review Board—program expenditures", and then a further subheading which reads "Activity to be supplemented". Then follow particulars of the administrative objects on which this money is to be spent and the amounts in which the money is to be apportioned.

However, I point out to Your Honour that there is no further description of the purpose of this vote. Despite the phrase "activity to be supplemented", there is no vote 25 in the main estimates for 1973-74 to which reference can be made for a fuller description. There is no reference to any other source by which the purpose of this vote can be identified. There is no statute or previous vote in any past Appropriation Act. Indeed—I stand to be corrected on this—because of the fact that there is no reference in any past Appropriation Act, it can be concluded that this is the first time this estimate has appeared before the House.

The vote stands alone and of itself. It is listed under the Department of Consumer and Corporate Affairs. However, a scrutiny of the Department of Consumer and Corporate Affairs Act, which is chapter 27 of the Revised Statutes of 1970, reveals that the act does not appear to authorize the minister to set up a board, unless it be a departmental board. Section 3 of the act gives the minister the management and direction of the department.

I suggest that this question must then be asked: Does this include the management and direction of the board here referred to? I suggest that it does not. Certainly we have not seen the management and direction of the board by either the minister responsible for the department or by the government. Section 5 and 6 of the act set out the jurisdiction, the powers and duties of the minister. There is no power there to set up a board, certainly not a board that can function independently of the minister's powers to manage and direct. If this vote is intended to enhance the minister's powers to include the setting up of a board, whether a board over which he has management and

direction or an independent board—although the vote does not designate the board's independence—then this vote is legislation by an Appropriation Act, legislation which, unless there is an emergency, should be enacted in a seperate bill as an amendment to the Department of Consumer and Corporate Affairs Act.

I would refer Your Honour to the report of the Special Committee on Trends in Food Prices, issue No. 17 covering the proceedings for Tuesday, March 27 of last year, Thursday, March 29 of last year and Friday, March 30 of last year. At page 17:7 we find that the first recommendation of that report to the House, passed by the committee, was:

That the government give consideration to the advisability of introducing the necessary legislation to establish an independent Food Prices Review Board equipped with such powers as are necessary to review prices, and that it report to the Minister of Consumer and Corporate Affairs—

That was the recommendation of the committee, one of the reasons for which I presume was the lack of power in the report. I therefore submit that if the vote refers to that board set up under the Inquiries Act, chapters 1 to 13 of the revised Statutes, 1970, then again, in my submission, it is legislation. Section 11(1) of that act authorizes any commission constituted under the act to hire staff. That is the only expenditure a commission is authorized to make. Yet this vote details operating expenditures for transportation and communications, rentals and capital expenditures for machinery and equipment—and God knows it needs some machinery and equipment. This vote can only be legislation to amend the act to do something which the governor in council could not authorize the board to do by order in council under the act, that is, to authorize the board to expend public moneys beyond the hiring of staff.

Whichever way this vote is looked at, it is attempted legislation by an Appropriation Act. The principle is set out in May's eighteenth edition at page 731. On that principle the vote must be ruled invalid. I will be referring very shortly to a precedent by the Chair. Before I leave that particular aspect I ought to point out to you, sir, and make the submission that the proper way to fund a body such as a food prices review board is as has been done in the main estimates of the Privy Council to be found in the main estimates for this year at page 20-6. I read from "A—Privy Council" estimates; It is the last subparagraph at the bottom of the page under "Program description" and it reads:

Commissions of Inquiry and Task Forces—The provision of funds for Commissions of Inquiry and Task Forces appointed to make recommendations on specific issues.

That is the way it was done with the setting up of the Indian Land Claims Commission; it was not done under the Department of Indian Affairs, and the powers are similar to this. The appropriation of the Minister of Consumer and Corporate Affairs was sought by the estimates under the appropriation bill following that, and in that case it is a vote under the Privy Council estimates and not under the department which has no powers.

I said, sir, I was going to refer the Chair to a ruling which was made on December 10, 1973, in which Your Honour quoted the same citation from May's which I now advance in support of the submission that the vote is an attempt to legislate by an Appropriation Act. I refer to May's eighteenth edition at page 731, commencing at page 730 under the heading "Authorization of expenditure by the Appropriation Act without specific legal sanction," as follows:

Expenditure by a department for purposes not covered by its existing legal powers normally requires to be specifically authorized by a financial resolution associated with a bill according to the procedure described in the next chapter.

On that day Your Honour went on to quote at length, commencing as follows:

The question has repeatedly arisen in the past whether, in a particular case, the authority given by the Appropriation Act is an adequate substitute for authorization by a specific bill.

On the one hand, there is, so far as this question is concerned, no legal restraint on the discretion of the Crown in presenting an estimate, or on that of Parliament in authorizing the expenditure provided by such an estimate by the Appropriation Act. On the other hand, the Appropriation Act is a general measure, containing a great many items, and is not adapted to defining the conditions, etc., of expenditure. Also, this act only gives authority for a single year, and is therefore not appropriate for expenditure which is meant to continue for a period or indefinitely. There have been cases, too, in which the Appropriation Act has been used, not merely as a substitute for specific legislation, but to override the limits imposed by existing legislation.

The Public Accounts Committee have repeatedly drawn attention in their reports to cases of what they considered the misuse of the Appropriation Act in either of the above-mentioned ways, and the Treasury, in answer to such comments, have justified the practice on grounds of emergency rather than of principle.

Your comment at that time, Mr. Speaker, was this:

I suggest that if such justification were put forward, it would have to be based on an emergency rather than a principle.

But, Mr. Speaker, there can be no emergency in this case because if there were an emergency with respect to vote 16b the government would have proceeded under Standing Order 58(18). That order reads:

In the event of urgency in relation to any estimate or estimates, the proceedings of the House on a motion to concur therein and on the subsequent bill are to be taken under Government Orders and not on days allotted in this order.

So I submit to you, sir, that this is an attempt to legislate by an estimate, and that it should be done in a normal fashion by bringing in the necessary amendment to existing legislation and not by an attempt to legislate through an appropriation bill. That being the case, in my submission the estimate cannot be put forward at this time on a motion to concur.

Mr. Reid: Mr. Speaker, unlike the hon. member, I shall be brief. I think it is important to realize that the Food Prices Review Board was set up under the Inquiries Act, the act designated, and the responsible minister having set up the board, the government was under some obligation to provide funds for it to operate. That is what this estimate does. How else is money to be provided for a function of the government if not through the Appropriation Act or estimates? It seems to me that the hon. member, in his typical fashion, has dragged one of his red herrings across the path of the House of Commons.

Mr. Speaker: The Chair would be pleased to hear further representations if hon. members have views to express. The evening is early and the Chair is quite prepared to listen to further argument if that is the wish of the House.

Some hon. Members: No.

Disposition of Supply Motions

Mr. Speaker: If there is no further argument either for or against the point raised by the hon. member for Yukon (Mr. Nielsen), I am prepared to make a ruling. The hon. member for Yukon proposed a similar argument last year at the time of consideration of supply items. On that occasion it related to dollar items. The hon. member will remember, since he quoted part of the decision, that I agreed with him that the dollar items to which he referred then were to my mind, in the way I interpreted them, legislative items and therefore could not be put to the House.

I have to say to the hon. member that the situation is not as clear to me now as it was the last time, or as it appeared to be to the hon. member. I agree with him that parliament cannot legislate by estimates, but on looking at this particular item I do not see what act it claims to amend or in what way it seeks to establish a legislative principle, or to legislate, to put it simply.

I hoped other hon. members might have made additional argument in support of the hon. member's contention that this is a legislative item. But I would find it very difficult to agree with him that prima facie this is anything other than an item of estimates. Perhaps the hon. member might have another point, namely, that rather than a supplementary estimate this might be a main estimate. It may be that this would be an improper way to proceed if it is a main estimate rather than a supplementary estimate, but I cannot conclude that this is a legislative item and therefore that it cannot be put to the House.

● (2230)

I wish I could have come to another conclusion if the hon. member could have convinced me that he was right, but in all fairness to the House I do not think I can agree with the hon. member's contention.

Motion agreed to.

Mr. Drury thereupon moved that Bill C-15, for granting to Her Majesty certain sums of money for the Public Service for the financial year ending March 31, 1974, be read the first time and printed.

Motion agreed to.

Mr. Drury moved that Bill C-15, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1974, be read the second time and referred to committee of the whole.

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

On clause 2—*$724,337,761 granted for 1973-74.*

[Mr. Speaker.]

Mr. Howard: Mr. Chairman, I rise on a very brief point of order. I think the committee should take a moment or two to reflect upon the subject matter raised by my colleague from Scarborough West on two occasions in the past. He objected to legislative items in the estimates and the bill founded upon those estimates appearing in alphabetical order in the English language but not in alphabetical order in the French language. The hon. member has obviously won his point.

Some hon. Members: Hear, hear!

The Chairman: I thank the hon. member for Skeena for his intervention on a point of order. Shall clause 2 carry?

Mr. Harney: Mr. Chairman, I have an objection to the remarks just made by the hon. member for Skeena. I have not won my point; this House has won its point.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Harney: Mr. Chairman, since some hon. members perhaps do not consider this matter as very important, I wish to say that bilingualism is a sum of many small things. A minor reform has been brought about in this House which adds, in my opinion, to our national identity.

On the point of order, Mr. Chairman, since the President of the Treasury Board (Mr. Drury) brought down these documents in an appropriate form, would it not be possible to request now of the Minister of Justice (Mr. Lang) that the Revised Statutes of Canada be reviewed so that the tables of contents be set up in the same way?

[*English*]

Clause 2 agreed to.

Clauses 3 to 7 inclusive agreed to.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Drury moved the third reading of the bill.

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

● (2240)

INTERIM SUPPLY

Hon. C. M. Drury (President of the Treasury Board) moved:

That this House do concur in interim supply as follows:

That a sum not exceeding $3,138,241,654.50 being the aggregate of:

(a) Three-twelfths of the total of all the items set forth in the estimates for the fiscal year ending 31 March, 1975, laid before the House of Commons at the present session of parliament $2,938,230,154.50.

(b) An additional eight-twelfths of the total amount of Finance item 25 and Industry, Trade and Commerce item L20 (schedule A) $19,731,333.33.

(c) An additional six-twelfths of the total amount of Transport item 40 and Treasury Board item 10 (schedule B) $29,287,000.00.

(d) An additional five-twelfths of the total amount of Transport item L105 (schedule C) $5,625,000.00.

(e) An additional four-twelfths of the total amount of External Affairs item 20 and Urban Affairs item 10 (schedule D) $47,880,000.00

(f) An additional three-twelfths of the total amount of Energy, Mines and Resources item 25, Environment item 15 and Transport items 35, 45 and 80 (schedule E) $31,388,500.00.

(g) An additional two-twelfths of the total amount of Finance item 10, Secretary of State item 50 and Treasury Board item 5 (schedule F) $36,462,000.00.

(h) An additional one-twelfth of the total amount of Consumer and Corporate Affairs item 30, Indian Affairs and Northern Development items L75 and 90, Manpower and Immigration item 10, National Health and Welfare Item 65, Secretary of State item 65, Supply and Services items 1 and 10 and Transport items 60, 85 and 110 (schedule G) $29,637,666.67.

be granted to Her Majesty on account of the fiscal year ending 31 March, 1975.

Motion agreed to.

Mr. Barnett: I rise on a point of order, Mr. Speaker. Not having seen anyone else rise, I should like to ask whether the President of the Treasury Board (Mr. Drury) is prepared to give the House what sometimes is referred to as the usual assurance on interim supply.

Mr. Drury: Mr. Speaker, I am glad to give the usual assurance.

Mr. Speaker: The usual assurance having been given by the President of the Treasury Board—

Mr. Bell: Mr. Speaker, could we have the usual assurance? We feel that it should be on the record. I know that the minister is tired, and he looks as though he should be in bed, but let us complete this as properly as possible.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the form of the bill is the usual one for interim supply bills. The passing of this bill will not prejudice the rights and privileges of members to criticize any item in the estimates when they come up for consideration in committee. The usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

Mr. Drury thereupon moved that Bill No. C-16, for the granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1975, be read the first time and printed.

Motion agreed to.

[*Translation*]

Mr. Speaker: Pursuant to Standing Order 58(10), Mr. Drury moves that Bill C-16, for granting to Her Majesty certains sums of money for the public service for the financial year ending March 31, 1975, be read the second time and referred to committee of the whole.

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

[*English*]

Clauses 2 to 6 inclusive agreed to.

Schedules A to G inclusive agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Drury moved the third reading of the bill.

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

Mr. Speaker: It being after ten o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 10.50 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 27, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

BILINGUALISM

EDUCATION—ANNOUNCEMENT OF RENEWAL OF FEDERAL-PROVINCIAL PROGRAM

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am pleased to announce that arrangements have been completed with provincial ministers of education for renewal of the federal-provincial program on bilingualism in education. Under this program, the federal government will provide funds to assist the provinces with the supplementary costs of providing minority language education and second language instruction for a five-year period, starting April 1, 1974.

You may recall a letter dated January 13 to members of parliament in which I mentioned how impressed and encouraged I was following a series of meetings last fall with ministers of education during which I discussed renewal of this program. In that letter I also mentioned the renewed determination of French-speaking minorities outside Quebec to preserve their language and culture and of a related desire on the part of many English-speaking Canadians to establish bonds of co-operation and understanding between the two language communities of this country.

[*Translation*]

Since 1970, the federal government has financially assisted the provinces to maintain and improve the educational facilities available in the minority official language, and to improve the teaching of the second official language in the educational systems of Canada.

The objectives of the program, as agreed to by the federal and provincial governments, are twofold; to ensure that, insofar as it is feasible, Canadians of either official language have the opportunity to educate their children in their own language, and that Canadian students have the opportunity to learn, as a second language, the other official language of Canada.

[*English*]

It was gratifying to note that the Commissioner of Official Languages shares my optimism over our progress toward these objectives. In his report tabled on March 21, the commissioner speaks of some important trends, including a desire among English-speaking parents to extend and improve the teaching of French.

The commissioner has also spoken of the commendable leadership demonstrated by the federal government and sees it as playing the role of an increasingly effective catalyst in the field of language programs. The commissioner stated his conviction that the contributions made by the Department of the Secretary of State constitute a program deserving renewal and expansion.

As under the existing program, the bulk of federal financial support after April 1, 1974, will take the form of payments made to the provinces based on the number of students enrolled in second language programs and the time spent on these activities. In addition, a federal contribution of 1.5 per cent of the annual per student cost will be paid to the provincial governments for administrative purposes and will be based on the total number of school children in each province belonging to the minority language group.

The importance of supporting innovative and experimental measures in minority language education and second language instruction continues to be recognized by the federal and provincial governments and the new agreement makes provision for continuing shared-cost projects designed to meet such needs at any level of the educational system.

I expect federal funding to continue at much the same annual level as at present for most elements of the program. Cost of the over-all program during the past four years has averaged some $70 million annually.

As I mentioned in my letter to members of parliament in January, I feel that the real answer to recognizing the bilingual reality of Canada is through the school system. If bilingualism is to work, the base must be established within our schools.

I am extremely gratified by the level of co-operation I have encountered in discussions with the provinces about the renewal of this program and I look forward to continuing collaboration for the forthcoming five-year period.

● (1410)

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, we on this side of the House welcome most assuredly the minister's announcement. This is a program which in our view merits the support of each and every member of parliament in this House of Commons.

It has always been my view that our educational system as such has a primary role to play in emphasizing the positive benefits of bilingualism, and this the minister certainly emphasized in his announcement.

We on this side of the House have displayed concern and are still concerned that moneys voted by Ottawa to the provinces for second language instruction are not in fact used in all cases for this purpose. Nothing the minister has said in the past or today has assured us that this situation has been entirely rectified. Of course, if second languages are to be properly taught, we need more good teachers and

professors and better teaching methods. At the present time there is a serious lack in this regard.

[*Translation*]

Mr. Speaker, as an English-speaking Quebecer, I can state that my language rights have always been protected and respected. I am sure that this will continue to be the case. For instance, as an English-speaking Quebecer, I have always been able to communicate with the federal government in my mother tongue. Unfortunately, in the past and even recently, the same situation has not always existed for French-speaking people throughout Canada, even if there has surely been some progress.

[*English*]

The minister's announcement should be greeted with a high degree of what I would call bipartisan spirit. Journalists and other individuals often ask me about our party's stand on bilingualism. Under the leadership of our leader we recognize, and we have said this time and time again, the positive benefits of the bilingual and multicultural nature of Canada. It has always been my view, and I have said this in both official languages, that when individuals or politicians play with the question of bilingualism or language rights for what they feel to be short-term advantage or political gain they in fact hurt this institution and Canada as a whole.

To reiterate, and I have spoken to many members on both sides of the House in this regard, there should be no specific Liberal, NDP, Social Credit or Progressive Conservative position on bilingualism. There should only be one united House of Commons bipartisan position. In this spirit of bipartisanship, I welcome the minister's announcement.

[*Translation*]

Mr. Mark Rose (Fraser Valley West): Thank you very much, Mr. Speaker.

[*English*]

Anyone listening to my pronunciation of those words will be convinced that I suffer as one of the victims of the lack of a bilingual program in our country in earlier years. My party and I have traditionally supported the bilingual program. We welcome the minister's announcement along with his courtesy, extended to the spokesmen for the various parties, in making certain that his statement was available at least an hour and a half before the House opened. Having said that, I have to ask myself: what was his hurry? I can see nothing in the new program that is not really in fact a continuation of the existing program, and he implies in the statement that funds appropriated some three or four years ago for that program have not been used.

The old program supported minority language instruction and second language instruction. What we cannot ascertain from the minister's statement is what proportion, within the broad parameters of the program, is assigned to each. It seems to me that phrases such as "the bulk" and vague language of that kind do not help parliamentarians or the spokesman for any party very much in judging whether this program is designed as a tokenistic approach or whether the government is serious in its stated objective of attempting to increase the degree of bilingualism and the number of people capable of bilingual communication in Canada. We really do not know how much is allocated for each program in each province.

We are concerned as well about the contribution of 1.5 per cent of the annual per pupil cost to each provincial government for administration. In British Columbia this amount may be relatively minor because of the approach of the former government of the province. I am happy to report there is a new approach now, but the former provincial government either did not take advantage of the program or, if it did, the money was used to finance the status quo across the province and very seldom if ever passed on to the school districts.

Last year the Commissioner of Official Languages called second language instruction in Canada a national disaster. I notice that in his new report he has backed off somewhat from that statement. Perhaps he has been speaking to affluent English-speaking Canadians at cocktail parties, because I think there exists among the affluent and better educated Canadians a keen desire that second language instruction and bilingualism be enhanced. This is not true. What is actually happening in our country is that bilingualism and second language instruction are not increasing at all. In spite of the government's programs and policies the bilingual program is actually on the decline. With your indulgence, Mr. Speaker, I should like to cite briefly a few figures.

Mr. Speaker: Order, please. The hon. member will appreciate that at this point I should perhaps interrupt him just for a moment. I realize he has not completed his statement, but I think I have to remind the hon. member for Fraser Valley West and all hon. members that under the Standing Order comments should be brief. I have said before and I repeat that it is difficult for the Chair to determine the extent of brevity. I would think the guideline should be the length of the original statement by the minister, and when the statement takes five minutes and the comments ten minutes perhaps the hon. member who makes the longer statement is not respecting the spirit of the Standing Order. I mention this for the guidance of the hon. member and all hon. members who offer comments within the terms of the Standing Order.

Mr. Rose: Mr. Speaker, I am grateful for your advice and will be guided by your suggestion. I did not realize I had exceeded or was likely to exceed the time taken by the minister in making his statement. It seemed to me that he spoke for a lengthy period. I will skip the documentation of my argument that second language training is on the decline.

● (1420)

I suggest that a much larger program in the schools would accomplish our bilingual objectives much more expeditiously than the kind of programs that are embarked upon at the adult level. In my view it is much better to spend the available language instructions funds on school children than on 50 year old members of parliament, civil servants and about to be retired brigadiers.

I should like to observe in closing that universities across Canada by and large no longer require a second language. What we are doing about bilingualism through the program the minister has just announced today is a

mere drop in the bucket compared with the $500 million we are spending on post-secondary education. I should like to ask the minister, parenthetically and rhetorically, what he intends to do and how he is going to use his influence to increase second language instruction in universities. It does not necessarily have to be French, but I suggest it is the mark of an educated person to be able to converse in more than one language and I think that we in North America are unique in the world in being limited in our ability to communicate in a language other than our mother tongue.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I am not as satisfied as the hon. minister, and I should like to make a few comments to prove it to the House.

We have often heard fine statements about the intentions of the government, and I think this is mostly what this is, since we would have to know exactly how these programs will be applied for the simple reason that we agree with the suggested assistance for the teaching of a second language. However, as concerns the teaching of the language of the minority, Quebec has had experience in this field with Bill 63, which was introduced with the best of intentions and allowed everyone to choose the teaching language he preferred. This experience was a catastrophe and all Quebecers now want to have this bill amended.

We are faced with a somewhat similar situation. Mr. Speaker, when it is a matter of teaching the language of the minority, we must distinguish between the French- and English-speaking groups. I find the reason in the first page of the minister's statement where he says that he sent a letter to his colleagues in which:

> . . . I mentioned also the renewed determination of the French-speaking minorities outside Quebec to preserve their language and culture and I spoke of a related desire on the part of many English-speaking Canadians to establish bonds of co-operation and understanding between the two language . . .

Mr. Speaker, there is the difference. For one group, the French-speaking minority, it is a matter of survival while for the other group it is a matter of understanding. Now, considering that distinction, the special assistance granted to the English-speaking minority in Quebec is unjustified. There is in Quebec an important English-speaking minority which as a result of historic circumstances or others, is richer and has better structures than French-speaking Quebecers. Therefore, helping this linguistic minority would only serve to worsen even more an already quite disastrous situation.

Mr. Speaker, there is a way to solve this problem. The money would be used wisely if it helped create in the province of Quebec an education system where, at the elementary level, French only were taught in French schools. English-speaking Canadians would benefit from that. I am sure, as the hon. member for Brome-Missisquoi (Mr. Grafftey) himself indicated, that if he had had the opportunity to attend a French school at the elementary level up to Grade 7, and then move on to an English school at the secondary level, he would be a lot more fluent in the language spoken by Molière and could represent more effectively the 80 per cent of his constituents who speak French.

These are facts, Mr. Speaker, and they certainly deserve being emphasized. We agree with the assistance given to the teaching of the other language, but as far as the minority in Quebec is concerned, we must discriminate, for there is no linguistic problem for the English-speaking population in Canada. There is only one such problem in Canada, and it is the one with which French-speaking Canadians are faced and which affects the French-speaking minorities in all Canadian provinces, except Quebec. Mr. Speaker, I felt it was necessary for me to make these remarks, and I hope these programs will be directed along these lines.

* * *

[*English*]

AGRICULTURE

SUBSIDY TO BEEF PRODUCERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, under the provisions of Standing Order 43 I rise to move a motion of urgent and pressing necessity arising out of the chaotic condition that prevails in the beef industry, aggravated by the government's subsidy program which has caused panic selling, the accumulation of large numbers of unsold cattle at yards, markets and feedlots, together with a serious depression of prices to the extent that the subsidy of 7 cents per pound has now been nullified. Reports today indicate that a number of major markets have suspended their operations in Alberta. I therefore move, seconded by the hon. member for Pembina (Mr. Hollands):

> That the deadlines of April 13 and April 6 on A3 and A4 grades of beef, respectively, be removed and that eligibility for subsidy on these grades be extended until the market returns to orderly and profitable levels.

[*Translation*]

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. On page vi of the notice paper attached to today's order paper there appears an indication of the introduction of a bill entitled "An Act to Amend the Veterans Land Act." According to the notice paper it is to be introduced by the Secretary of State for External Affairs (Mr. Sharp). Mr. Speaker, there are a number of instances of ministers intruding into portfolios other than their own, but I hope that in this case this bill can be presented to the House by the distinguished Minister of Veterans Affairs (Mr. MacDonald).

Some hon. Members: Hear, hear!

Railway Car Shortage

Mr. Speaker: The point raised by the hon. member is well taken. Although the notice was signed by the Secretary of State for External Affairs, possibly in his capacity as Acting Prime Minister, it was a faulty entry, and the bill will appear in tomorrow's order paper as being sponsored by the honourable and gallant Minister of Veterans Affairs.

* * *

FISHERIES

PROTECTION OF NEWFOUNDLAND INSHORE FISHERMEN AGAINST GILL-NET OPERATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under the terms of Standing Order 43 on a matter of urgency. Representation by concerned western Newfoundland fishermen, supported by the provincial government, urges protection for inshore fishermen against gill-net operators on the west coast of Newfoundland who tend to destroy our marine resources. Since the situation can reach emergency proportions I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House urges an immediate investigation by the Minister of Fisheries and that the matter be immediately referred to the Standing Committee on Fisheries and Forestry.

[*Translation*]

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

* * *

● (1430)

[*English*]

TRANSPORT

RETURN OF CANADIAN RAILWAY CARS FROM UNITED STATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 to seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity, namely, the continuing shortage of railway cars in Canada for a variety of commodities and the absolute, thorough and complete inability of the Minister of Transport to rectify the situation. I would therefore move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That this House request the Secretary of State for External Affairs to raise with Dr. Kissinger of the United States the question of the more than 24,000 Canadian railway cars that were as of the end of February in the United States, with a view to having them returned to Canada for use in the Canadian interest.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

INDUSTRY

PACKAGING—SHORTAGE OF SUPPLIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas it has been reliably reported that up to 65 employees have been laid off at two packaging plants in the Richmond area of British Columbia, namely, Belkin Packaging and Capital Bag, and whereas the reason for these lay-offs is that major suppliers are exporting so much of the liner board and bag craft paper needed for processing of finished products that lay-offs are occurring for lack of supplies, I move, seconded by the hon. member for Vancouver East (Mr. Neale):

That the Department of Industry, Trade and Commerce be instructed to co-operate with the B.C. provincial government in taking immediate action to ensure that domestic needs are given priority.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are marked by an asterisk.)

[*Text*]

CANADIAN PENSION COMMISSION—OUTSTANDING CASES

Question No. 11—**Mr. Rowland:**

1. How many cases are now awaiting handling by the Canadian Pension Commission?

2. What is the average amount of time involved in the processing of a case once it has been received by the commission?

3. Is the government giving consideration to again increasing the number of commissioners in order to more rapidly reduce the backlog of cases?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Seven thousand three hundred sixty-two as of February 24, 1974. This includes a number for which a notice of intent has been filed with the commission to establish an effective date in the event of an award being

made, but for which the actual detailed application has not yet been received.

2. The commission does not maintain statistics on the average length of time it takes to process a claim.

3. No.

ST. LAWRENCE RIVER RETAINING WALLS—LOTBINIÈRE CONSTITUENCY

Question No. 16—**Mr. Fortin:**

1. How many retaining walls has the government built along the St. Lawrence River, in the constituency of Lotbinière (a) where is each wall located (b) what was the total cost (c) what was the date of construction?

2. If repairs or improvements were needed (a) on what date was the work done (b) at what cost?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Forty-seven. (a) 21, Deschaillons; 3, Lotbinière (St-Louis de Lotbinière); 8, St. Emmelie and Leclercville; 3, St-Croix; 7, St. Antoine de Tilly; 5, St. Pierre les Becquests; (b) $484,225. (c) The retaining walls were constructed during the following years: 1939, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1971, 1973.

2. (a) Repairs and improvements were carried out during 1947, 1952, 1953, 1956, 1957, 1958, 1959, 1960, 1964, 1965, 1969, 1971. (b) $52,740.

RESOLUTION REGARDING WATER LEVELS OF LAKE ONTARIO AND LAKE ERIE

Question No. 41—**Mr. Cossitt:**

1. Has the Department of the Environment received a resolution from the city of St. Catharines dated November 19, 1973 requesting the government to provide municipalities bordering Lake Ontario and Lake Erie with regular up-to-date information on water levels of these lakes?

2. What action has the government taken on this matter and, specifically, has it agreed to this request and (a) if not, for what reason (b) if so, on what date will municipalities start receiving the information?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. Yes.

2. The Minister of the Environment wrote to the City Clerk of St. Catharines on December 21 stating that his department already publishes a Monthly Water Levels Bulletin for the Great Lakes and Montreal Harbour, which includes a forecast of probable future levels for the ensuing six months. The Director of Parks and Recreation for the City of St. Catharines is now on the distribution list. Daily information on water levels and their trends can be obtained by phone from the Canada Centre for Inland Waters, Burlington, Ontario, telephone 416-637-4268. (a) Not applicable. (b) As soon as they write to the Hydrographic Chart Distribution Office, Department of the Environment, Ottawa K1A 0E6 and ask to be put on the distribution list.

Order Paper Questions

NEGOTIATION RELATING TO SUPERTANKER TRANSPORT OF OIL

Question No. 111—**Mr. Mather:**

Are negotiations between Canada and the United States relative to supertanker transport of oil through the Strait of Juan de Fuca confined to an oil-spill clean-up agreement?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The Canada-United States Oil Spill Contingency Plan which will soon be in effect will apply to the east coast and Great Lakes as well as the west coast. While important in itself, the plan is only one component of a comprehensive package the government is proposing to the United States as part of extensive bilateral negotiations to deal with whatever increase of tanker traffic may develop in the Straits of Juan de Fuca and Rosario Strait.

COST OF EN42-173 PAMPHLET

Question No. 137—**Mr. Laprise:**

What was the cost of publication of the pamphlet number EN42-173 published by Environment Canada and how much did Workshop Inc. receive for the numerous drawings printed in the pamphlet?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): The total cost of publication of the pamphlet EN42-173, "Air Pollution in Canada", was $11,500. Design Workshop Inc. received $5,340 for their services.

ESTABLISHMENT OF NEWSPRINT DISTRIBUTION RESEARCH GROUP

Question No. 216—**Mr. Forrestall:**

1. Has the Department of Industry, Trade and Commerce established a marketing and distribution group known as the "Newsprint Distribution Research" and, if so, on what date was it established, what companies are involved and what were the terms of reference?

2. Will such study be broadened to include the shipment of newsprint from regions other than Quebec including the Atlantic Provinces?

3. What are the names of the principal personnel involved in such study and what were the criteria for their selection?

4. Has any computer work been allocated to companies based in the United States and, if so, for what reason was such work not given to Canadian-based firms?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. As part of the government's strategy to improve the international competitiveness of Canada's pulp and paper industry, the Department of Industry, Trade and Commerce is contributing to the costs of a feasibility investigation on possible methods of reducing distribution costs for newsprint. Under the Trade-Industrial Program separate contributions are being made to the Canadian National Railways and to Newsprint Distribution Research, who are conducting separate parts of the investigation at arms length. Newsprint Distribution Research was established May 1, 1973, and is an association, formed for the purpose by a group of five newsprint producers based in Manitoba, Ontario and Quebec. The companies involved are: Anglo-Canadian Pulp and Paper Mills Limited; The Price Company Limited; Domtar Limited; Abitibi Paper Company

Limited; Consolidated-Bathurst Limited. The purpose of the investigation is to determine the most economical and feasible distribution channel or channels for the transportation, warehousing and delivery of newsprint from eastern Canadian mills to the United States.

2. Before the investigation was undertaken, other Canadian newsprint producers were approached but only five were in a position at that time to contribute manpower and financial support. If intensive studies now under way indicate that there are significant transportation and warehousing cost savings to be achieved, other Canadian newsprint manufacturers will be urged to join in the formation of a non-profit distribution company. All Canadian rail carriers will be eligible to compete for the tonnage to be shipped by the distribution company.

3. The Chairman of Newsprint Distribution Research is Mr. J. P. Lunderville, the Project Director is Mr. S. French. Both have had many years experience in the manufacturing and distribution of forest products with Canadian companies.

4. No computer time has been purchased to date.

TAX REVIEW BOARD RESEARCH EXPENDITURES, 1972-73, 1973-74

Question No. 296—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Tax Review Board on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Hon. Otto E. Lang (Minister of Justice): 1. None.

2. None.

3. Not applicable.

REPRINTING OF JUNE ISSUE OF "LABOUR GAZETTE"

Question No. 330—**Mr. Reynolds:**

At any time during the production process of the June, 1970 issue of the *Labour Gazette*, or subsequent to the production process, were copies destroyed and the issue reprinted and, if so (a) what was the reason (b) was any material which appeared in the first production not included in the second and, if so, what was the nature of this material?

Hon. John C. Munro (Minister of Labour): (a) The first printing of the June 1970 issue of the *Labour Gazette* was not distributed because the author of a short article failed to clearly identify the source of the editorial opinion quoted therein. (b) Yes, the material mentioned in (a), concerning autonomy of Canadian unions.

CHARGES LAID AGAINST "TOYO MARU" AND ITS CAPTAIN

Question No. 380—**Mr. Munro (Esquimalt-Saanich):**

1. Have charges been laid against the *Toyo Maru* and its captain?

2. What are the charges and what are the maximum penalties on conviction?

3. (a) Who owns the *Toyo Maru* (b) what is the name of the operator?

[Mr. Guay (Lévis).]

4. How long was the *Toto Maru* at sea on this voyage and how long in the vicinity of Canadian fishing grounds?

Mr. William Rompkey (Parliamentary Secretary to Minister of Fisheries): 1. Yes, against the vessel master.

2. Under Section 3(2)(*a*) of the Coastal Fisheries Protection Act. "No person, being on board a foreign vessel or being a member of the crew of or attached to or employed on a foreign fishing vessel shall in Canada or in Canadian fisheries waters, (*a*) fish or prepare to fish." (Penalty (maximum) $25,000 or two years or both). Under 7(*a*)(i) of the Coastal Fisheries Protection Act. "Every person is guilty of an offense who (*a*) being master or in command of a fishing vessel, (i) enters Canadian waters contrary to this act." (Penalty (maximum) $10,000 or one year or both).

3. (a) Owner: Hokuyo Fuifan Ltd., 7-9-13 Chu Kigi, Chuo—Kuj, Tokyo, Japan. (b) Captain: Tatsuya Itoh.

4. Left Japan December 1, 1973. First known off B.C. Coast, January 24, 1974.

———

NOTE: Name of Vessel is *Koyo Maru II*, not *Toyo Maru*.

DEPARTMENT OF JUSTICE OFFICE SPACE LEASED IN MAJOR CITIES OF CANADA

Question No. 419—**Mr. Mazankowski:**

1. What office space is rented and/or leased by the Department of Justice in each of the major cities in Canada?

2. What is the price paid per square foot as per above?

3. How many car stall spaces are rented and/or leased in each of the above buildings, or other buildings and what is the price paid per month?

Hon. Otto E. Lang (Minister of Justice):

	1.	2. $	3. (Part of total accommodation service)
Halifax	1,990 sq. ft.	6.95	3
Montreal	11,282 sq. ft.	8.09	3
Toronto	18,457 sq. ft.	9.50	10
Winnipeg	3,710 sq. ft.	6.35	1*
Edmonton	4,164 sq. ft.	6.90	5
Vancouver	15,825 sq. ft.	7.54	15

*Note: Winnipeg, four additional, $59 per month.

"THE SAFARI KIT"—NUMBER PRODUCED BY OFFICE OF COMMISSION OF OFFICIAL LANGUAGES

Question No. 556—**Mr. Neil (Moose Jaw):**

1. How many information kits entitled "The Safari Kit" were produced by the Office of the Commissioner of Official Languages?

2. What was the total cost of producing and printing same?

3. How many kits have been distributed to date?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1, 2 and 3. The Commissioner of Official Languages reports directly to parliament and

not through a minister. Questions may be put to him directly.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

THE PRIME MINISTER'S AUTOMOBILE

Question No. 81—Mr. Cossitt:

1. What is the list of all items included on the Prime Minister's Cadillac that are classified as extras or options and what was the exact cost of each such item?

2. What was the basic cost of the vehicle before the addition of such extras or options?

3. What is the mileage registered on the odometer of the vehicle as of the date the answer to this question is prepared and what is such date?

4. How many gallons of gasoline have been purchased for this vehicle since it was acquired?

Return tabled.

NEW HORIZONS PROGRAM—PROJECTS IN CONSTITUENCY OF ABITIBI

Question No. 134—Mr. Laprise:

1. Since the inception of the New Horizons Program (a) what are the names and numbers of each project in the constituency of Abitibi (b) which ones have been approved (c) on what date (d) what is the amount involved in each project?

2. What were the reasons for rejecting projects?

Return tabled.

DREE—GRANTS TO NEWSPAPERS

Question No. 223—Mr. Stevens:

1. Since its inception, what are the total grants made by the Department of Regional Economic Expansion to newspapers and companies which control newspapers?

2. What newspapers received the grants (a) directly (b) indirectly and in what amounts?

Return tabled.

DEPARTMENT OF EXTERNAL AFFAIRS—RESEARCH EXPENDITURES

Question No. 275—Mr. Nystrom:

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of External Affairs on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

DEPARTMENT OF LABOUR—RESEARCH EXPENDITURES

Question No. 281—Mr. Nystrom:

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of Labour on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—RESERVE SCHOOLS

Question No. 361—Miss MacDonald (Kingston and the Islands):

1. How much money has the Department of Indian Affairs and Northern Development allocated for a school on the Tobique Indian Reserve?

2. Have there been consultations with the Indians of Maliseet to ensure that they approve of the design and construction of the proposed school, in accordance with the government's new policy of Indian control of Indian education?

3. (a) What were the dates of any such consultation meetings (b) who participated on behalf of (i) the Department (ii) the Tobique Indian Band?

4. Has the architect been selected and, if so, what is his name?

5. Has the design for the school on the Reserve been finalized?

6. (a) Have the Maliseet Indians made recommendations not yet incorporated into the design of the school (b) are these proposals being considered by the Department of Indian Affairs and Northern Development and the architect and, if not, for what reason?

7. Does the contract drawn up by the Department and architect for the school include a clause specifying that there be consultation with the Tobique Indian Band?

8. (a) Which school grades will be taught in the school on the Tobique Indian Reserve (b) has this decision been reached in consultation with the band council?

9. (a) Has the Department previously drawn up a master plan for the education of these Indians of the Reserve in conjunction with the Perth-Andover Public School system (b) at which grade will these same Indians be required to transfer to the Perth-Andover Public School system for further education once the Tobique Indian Reserve school is built (c) how much is the government contributing to the cost of the extension for a commercial and shop area to the Perth-Andover public high school?

10. (a) What is the meaning of the term seed money in reference to agreements between the Department and Indian bands wishing to build reserve schools (b) is the seed money to be used for capital costs or for operations and maintenance costs (c) can the Indian band involved apply for any of the seed money?

11. (a) How much is the seed money for the contract for the Tobique Indian Band School (b) how much of the seed money (in dollars) for the Tobique Indian Band School will be spent on (i) architect fees (ii) Indian consultation (iii) preparatory study for a school by the Maliseet Indians?

12. Will the unused balance be added to the Tobique Indian Band Council funds or will it revert to the Department?

Return tabled.

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION EXPENDITURES

Question No. 366—Mr. Nystrom:

1. For the fiscal years 1971-72 and 1972-73 what amount of the total expenditures for the Department of Regional Economic Expansion were spent (a) outside of Canada (b) within Canada (c) in each of the 10 provinces, the Yukon and Northwest Territories?

Manpower and Immigration

2. (a) What was the total number of employees in the Department of Regional Economic Expansion as of March 31, 1973 (b) how many of those employees would be considered employees of the headquarters and are employed on the (i) Quebec side of the national capital (ii) Ontario side of the national capital (c) how many employees does the department have in each of the 10 provinces, the Yukon and Northwest Territories?

Return tabled.

INTERNATIONAL TREATIES, CONVENTIONS AND AGREEMENTS

Question No. 416—**Mr. Mazankowski:**

1. How many international treaties, conventions and agreements has Canada been a signatory to since and including the year 1919?

2. How many such international treaties, conventions and agreements (a) have been ratified by Canada (b) have been approved by resolution of both Houses of Parliament (c) have been made law in Canada and before our Courts by an Act of Parliament being passed?

3. Does any court of Canada interpret international treaties, conventions or agreements which have not been made the law of Canada by an Act of Parliament and, if so (a) which court (b) under what authority?

4. How is a treaty, convention or agreement between Canada and any other state or group of states, which has only been signed by Canada and ratified by Canada by resolution of both Houses of Parliament, enforced?

5. In what manner is the Chicago Treaty of 1944, under which ICAO was set up in Montreal by the United Nations, enforced?

6. During the Royal Visit of 1973, did Her Majesty the Queen state "You may be assured that my Government of Canada recognizes the importance of full compliance with the spirit and terms of your treaties"?

Return tabled.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

MANPOWER AND IMMIGRATION

ALLEGED DEPARTMENTAL MALADMINISTRATION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I rise under Standing Order 26 to request leave to make a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the government's administrative responsibilities with respect to immigration, manpower and unemployment insurance. It specifically relates to maladministration of these responsibilities which has already resulted in the laying of criminal charges against certain aliens and immigration officials, poor morale among immigration employees, and further suspected criminal activities arising out of the improper possession of unemployment insurance certificates. If you decide, Mr. Speaker, that this matter is proper to be discussed, I shall move, seconded by the hon. member for Provencher (Mr. Epp), that this House do now adjourn.

Mr. Speaker: The hon. member for Hamilton Mountain has provided the Chair with the notice required by Standing Order 26. The hon. member proposes that the House set aside the business proposed for today, that is, the consideration of Bill C-7, an act to amend the Combines Investigation Act, to debate instead, and I quote the hon. member's words, "the government's administrative responsibilities with respect to immigration, manpower and unemployment insurance".

The Chair cannot agree that there is in the matter proposed for debate by the hon. member the aspect of sudden emergency which is essential to justify the adjournment of the day's business under the terms of Standing Order 26. With respect, I suggest to the hon. member that a debate alleging, generally, maladministration in a department should be considered in other ways provided by the Standing Orders, perhaps on a motion under Standing Order 58 or in the course of the examination of departmental estimates before the responsible standing committee of the House. I suggest to the hon. member and to the House that the requirements of Standing Order 26 preclude the Chair from putting the hon. member's motion today.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Oral Questions.

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

Mr. Speaker: The hon. member for Trinity rises on a question of privilege.

Mr. Hellyer: Mr. Speaker, I wonder if the hon. Parliamentary Secretary to the President of the Privy Council (Mr. Reid) could advise the House, through you, when notices of motions Nos. 3 to 6 inclusive will be dealt with? The fact that these notices of motions for the production of papers, which were originally put on the order paper on October 16, 1973, have not yet been dealt with is as inexplicable as it is unconscionable.

Mr. Reid: Mr. Speaker, I anticipate being able to deal with 10 or 15 notices of motions for the production of papers next Wednesday.

ORAL QUESTION PERIOD

[*English*]

MANPOWER

LOCAL INITIATIVES PROGRAM—BASIS OF ALLOCATION OF GRANTS TO CONSTITUENCIES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to address a question to the Minister of Manpower and Immigration. It arises as a result of the very discouraging revelation that there is an unsavoury practice going on in the minister's department which resulted in 1972-73 LIP distributions amounting to $106 million going to Liberals and about $59 million going to Conservatives. In the first instance, this is blatant partisanship and, second, it indicates that there is no unemployment in the Conservative ridings. In order to clear up the answer of the minister indicating that moneys were sent to ridings but not necessarily spent in those ridings, in order to clear up this matter of some concern to all members of the House, can he tell us whether the cheques for the jobs involved in the LIP program go to the constituencies with high unemployment?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the grants are paid to the sponsors and of course the grants are paid in the form of a cheque. Those cheques are mailed to the sponsor's mailing address in one constituency or another. That is the location and that is the basis on which the calculation of actual distribution between regions and between constituencies is identified.

Mr. Alexander: Mr. Speaker, the explanation given by the minister certainly is not satisfactory by a long shot. In view of the minister's November 8 statement in the House that the allocation of LIP funds would be based on so-called "pockets of unemployment", and in light of his recent statement that "the prime factor" in the allocation of grants is the "assessment of unemployment rates", would the minister explain why the moneys granted were not granted to persons living in areas of high unemployment as exhibited by the ridings of the Minister of State for Urban Affairs and the President of the Treasury Board? Money went into those ridings but for some reason or other disappeared into other areas. What is the answer?

Mr. Andras: Mr. Speaker, as I pointed out the other day, the hon. member is continuing to confuse two fiscal periods. He is talking about a statement I made in November which would apply to 1973-74 local initiatives project allocation, whereas his prior reference was to the period 1972-73, the details of which were tabled the other day.

Mr. Alexander: In view of the fact the government is having an over-all review of social security programs which will probably result in a permanent job creation program, and in order to get away from this unsavoury practice and questionable methods of the minister, will he assure the House that any such program will be implemented by legislation so that members of the House can keep their eyes on it?

Mr. Andras: Mr. Speaker, if and when the details of the community employment program are decided upon, of course they will be presented to the House for consideration in one form or another.

* * *

● (1440)

CONSUMER AFFAIRS

REQUEST THAT GOVERNMENT TAKE ACTION TO CUT PROFIT MARGINS OF MAJOR FOOD RETAILERS

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, may I address a question to the Minister of Consumer and Corporate Affairs. In view of the recent high profits of the major food retailers, and as a means of reducing food prices, will the government consider following the example of the British prices commission by ordering the major food retailers to cut their profit margins by 10 per cent?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, we do not have a general system of price controls as they have in the United Kingdom, which they have carried over from the previous Conservative government, the failure of which has led to that government being out of office.

Some hon. Members: Oh, oh!

Mr. Gray: My hon. friend refers to the adoption of such a policy. All alternatives, obviously, will continue to be available for consideration by the government.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, I was not talking about a general system of price controls. I was talking about a selective measure ordering the major food chains to cut back their profit margins by 10 per cent. Would the minister please attempt to answer that question?

Mr. Gray: Mr. Speaker, may I point out that the measure the hon. lady refers to was taken within the context of a general system of controls put into effect by the previous Conservative government in the United Kingdom. As I said, this is something that can be taken under consideration.

* * *

FINANCE

SUGGESTED EXCESS PROFITS TAX ON MAJOR FOOD RETAILERS

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, as the Minister of Consumer and Corporate Affairs lacks the flexibility to consider the question in a selective way, I shall direct my supplementary question to the Minister of Finance. Alternatively, because of the apparent unwillingness of the Minister of Consumer and Corporate Affairs to consider the possibility of the measure I suggested, will the government consider the imposition of an excess profits tax on the major food chains?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the government is reviewing a number of possi-

ble measures. Whether or not we will consider the hon. lady's suggestion I can neither confirm nor deny. The hon. lady's suggestion is a matter which would be budgetary in nature.

[*Translation*]

PREDICTED FIFTY PER CENT LOSS IN BUYING POWER OF CANADIAN DOLLAR—POSITION OF GOVERNMENT

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I wish to direct a question to the Minister of Finance.

In view of the fact that I already put the question to the right hon. Prime Minister who was to refer it to the Minister of Finance, and that I have yet not received an answer, I believe it necessary to reiterate my question.

Economists of the Royal Bank of Canada indicated recently that within 10 years the Canadian dollar would depreciate by 50 per cent, which would reduce by the same rate the buying power of Canadians, has the minister studied this report and, if so, what does he intend to do to limit this loss in buying power for Canadians?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I had difficulty hearing the question because of the enthusiasm shown in certain parts of this House. In any case, I considered the report. The hon. member's question is based on an assumption and I have no other comment to make.

Mr. Caouette (Charlevoix): Mr. Speaker, I wish to ask a supplementary question.

Although the minister considers it to be an assumption, I would point out that serious people undertook this study. Is the minister prepared to examine it more seriously and accept its conclusion that one of the major means of increasing the revenues of Canadians is to reduce taxes?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Speaker, I would study and read again the report. The question as to whether I agree or will agree with the conclusions of the report will depend eventually on my opinion of it.

* * *

[*English*]

NATIONAL DEFENCE

STORAGE OF NUCLEAR OR ATOMIC WARHEADS IN CANADA—CONTROL THEREOF

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. Are nuclear or atomic warheads for missiles or weapons held at Comox, B.C., or at any other site or sites in Canada?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, none of our aircraft are equipped with nuclear missiles, but we do have in storage, and this has been public knowledge for several years—nuclear missiles at Comox and at the other bases from which our interceptor squadrons take off.

Mr. McKinnon: Are such warheads solely under Canadian control and, among the aspects of such control, could a decision to return the warheads to the United States be taken unilaterally by Canada, or are we bound by the NORAD agreement to accept NORAD combined directions?

Mr. Richardson: Mr. Speaker, the missiles are under the joint control of Canadian and American authorities. They could be sent back by Canadian direction.

* * *

SOCIAL SECURITY

STOLEN SOCIAL INSURANCE CARD—ALLEGED REQUEST TO PERSON TO CHANGE NAME

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the answer given to me last Friday by the Acting Prime Minister that it was not government policy to have a Canadian citizen change his legal name in order to secure a new social insurance number when it is known that the original number is being used illegally, what immediate, specific action will the minister undertake to secure for my constituent a new social insurance number?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I share the hon. member's concern about the ridiculous nature of the situation as he described it. I am checking all the facts to see that it is exactly as it was presented. If that is the case, we will simply have to find some better way to handle such cases.

Mr. Kempling: Mr. Speaker, may I direct a supplementary question to the Minister of National Revenue. Can the minister advise why, when a request was made by one of my constituents on January 12, 1973, for an investigation of the fraudulent use of a social insurance number, no such investigation was made? Further, will the minister advise if an investigation is now in progress?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, it is not the function of my department to investigate the fraudulent use of social insurance numbers. However, I have asked my department to do everything possible within its jurisdiction to assist the hon. member's constituent, and I hope we can help to resolve his difficulty.

* * *

TRANSPORT

PROPOSED RAILWAY FROM ARCTIC TO HAUL GAS AND OIL—CONSIDERATION BEFORE DECISION MADE ON GAS PIPELINE APPLICATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Some months ago, after studies by the Canadian Institute of Guided Ground Transit at Queen's University had shown that a railway from the Arctic to haul oil and gas was feasible, I suggested that the government should look into this. The Department of Transport then set up a CP-CN study which has

now declared such a railway to be, to use its words, "totally feasible". Will the minister say whether or not this latest recommendation made by this task force is being considered and is going to be accepted with one change only, I suggest, that the terminus be in Saskatchewan rather than in Alberta?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, to be more precise, I understand that the terminus would be in Prince Albert, Saskatchewan, if it is to be anywhere in that province.

I have received the first volume of the combined CN-CP study with regard to the rail shipment of oil in particular. I have not yet had a report on it. We would regard this study as being an important factor to be considered by the National Energy Board and, ultimately, by the government with regard to the proposal for a Mackenzie Valley pipeline.

Mr. Diefenbaker: Will the minister assure the House that no decision will be made by the National Energy Board until the several reports provided by the CN-CP task force have been considered?

Mr. Macdonald (Rosedale): Mr. Speaker, I think I can give that assurance. It is anticipated that the hearings on the Arctic gas proposal will not be finally determined by the board for more than a year. Without knowing exactly the final termination date of the rail study, I think it is obviously important that the full effects of the rail study should be up for consideration before any final decision is taken on a pipeline route.

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WELFARE

AMOUNT OF INCOME PAID BY FAMILIES FOR RENT—REQUEST THAT MINISTER ACT TO OBTAIN INCREASED SHELTER ALLOWANCES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. In light of reports that in urban centres welfare families are paying half of their incomes in rent, and in light of the uncontrolled and ever rising rentals, with disastrous consequences for people on low and fixed incomes, will the minister convene, on a basis of urgency, a federal-provincial meeting to discuss joint action by way of increased shelter allowances to which the federal government might contribute under the Canada Assistance Plan and by encouraging flexible rental controls and other means to deal with this grievous problem?

● (1450)

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, there is no need for a special meeting for this purpose. The Canada Assistance Plan at the present time provides for all the flexibility to which the hon. member has referred. It is up to the provincial governments concerned to set Canada Assistance Plan payments at the levels they wish. As the hon. member knows, the federal government contributes to the extent of 50 per cent of such costs. Those costs are determined by the provincial governments concerned.

Mr. Brewin: Will the minister encourage the provinces, in light of the emergency, by suggesting that they consult with him about this question of shelter allowances?

Mr. Lalonde: I am reasonably satisfied that the officials of the provincial government and the members of the Ontario government also read the *Globe and Mail* and that this fact has been drawn to their attention. Obviously, if consultation is required I shall certainly be pleased to hold discussions with them on this subject. Again, the initiative is theirs. The Prime Minister said as early as last fall that he was encouraging the provinces to take the necessary steps to adjust social assistance payments so as to take into account the increase in the cost of living.

* * *

FINANCE

INQUIRY AS TO DATE OF PRESENTATION OF BUDGET

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. Can the minister now tell the House at least the approximate date when he will be introducing the budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I indicated to the meeting of provincial finance ministers and treasurers that I was considering bringing down the budget some time in April or May after we had had an opportunity to stabilize the benefits and burdens of a uniform energy pricing system in Canada.

Mr. Horner (Crowfoot): Will it be before or after Easter?

Mr. Turner (Ottawa-Carleton): As to the precise date, I still wish to consult further with the Prime Minister and the leader of the House. I can assure the hon. member for Crowfoot that it will not be before Easter.

* * *

ENERGY

INQUIRY WHEN DECISION ON DOW-DOME APPLICATION WILL BE MADE PUBLIC BY BOARD

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. In light of recent press speculation concerning the decision of the National Energy Board with regard to the Dow-Dome application, can the minister advise when this decision will be made public?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): It had been the intention to make the board's decision public next week when it was hoped it would be available in both official languages. However, because of the speculation in the press we have decided it would be desirable to make the English portion available, very probably tomorrow, so that an end can be put to the speculation as to what the board has recommended.

Mr. Cullen: Since this decision by the Board requires either amendment or ratification by the cabinet, can the minister tell us how soon the companies may expect cabinet action on the report?

Mr. Macdonald (Rosedale): At a very early date, we would hope.

* * *

SPORTS

ACTION TO FORCE WORLD HOCKEY ASSOCIATION TO DONATE MONEY FOR PROMOTION OF AMATEUR HOCKEY IN CANADA

Mr. Otto Jelinek (High Park-Humber Valley): My question is directed to the Minister of National Health and Welfare, Mr. Speaker. In view of the minister's recent and sudden interest in professional sport, and keeping in mind the fact that the National Hockey League donates over $1 million a year to the Canadian Amateur Hockey Association as well as to clubs responsible for the promotion of amateur hockey in this country, as a result of its universal draft system, can the minister advise the House whether he is prepared to force the World Hockey Association to do likewise?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am happy to tell the hon. member that an agreement has been signed between the Canadian Amateur Hockey Association and the World Hockey League, as one was signed between the National Hockey League and the Canadian Amateur Hockey Association. Those agreements will provide for the payment, to the Canadian Amateur Hockey Association, of comparable compensation in both cases. This is the result of the pressures I exerted upon and the representations I made to both leagues last year.

[*English*]

WORLD HOCKEY ASSOCIATION—AGE OF PLAYERS DRAFTED

Mr. Otto Jelinek: Mr. Speaker, I am very happy to hear these views expressed. Since the minister apparently has secret ways of ousting the World Football League team from Toronto, can he assure the House that he will take similar measures to make the World Hockey Association limit its draft age to 20-year-olds, as does the NHL, so as not to jeopardize amateur junior hockey in this country any further?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am pleased to welcome the hon. member to the House after his extended absence. I can assure him that the arrangements made with the World Hockey League are similar to those already made with the National Hockey League but that they meet with the approval of the Canadian Amateur Hockey Association.

[*English*]

Mr. Jelinek: I rise on a question of privilege, Mr. Speaker. I am happy that the Minister of National Health and Welfare has welcomed me back to the House although I was here more than ten days ago—

Some hon. Members: Oh, oh!

Mr. Jelinek: May I add that because of the fact I had an opportunity to visit Munich, Germany, at my own expense—

Some hon. Members: Oh, oh!

Mr. Jelinek: —where I was able to study the results of the aftermath of the Olympics which were held there two years ago, especially Olympic housing and other problems arising from the construction of the Olympic Stadium and other facilities, I can represent this party on Olympic matters better than some of the people on that side of the House.

Some hon. Members: Hear, hear!

SIGNING OF CANADIAN LACROSSE PLAYERS BY AMERICAN INTERESTS

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, this question, too, is directed to the Minister of National Health and Welfare. In view of the minister's determination to exclude the World Football League from Canada in spite of the agreement by Metro Toronto to permit the Toronto Norsemen to play in the CNE stadium, and in view of reports that American interests have signed more than 50 Canadian lacrosse players to play in the United States, is the minister considering any intervention in this area and, if so, what specific action does he plan to take?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, if the hon. member took the trouble to read my statement on that, he would realize that the situation is completely different. I have no intention to take measures regarding lacrosse. He would also realize that the present developments have the complete support of the Canadian Amateur Lacrosse Association. I suggest he read the statement made on this by the representatives of the association.

[*English*]

Mr. Stackhouse: Since this matter is of considerable concern to Canadians, would the minister be prepared to make a statement on motions regarding the government's policy toward what seems to be the policing of Canadian sport?

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Lalonde: Mr. Speaker, I will soon have the pleasure of tabling a bill in this House that will enable to government to take a position on this matter. I will then also have the pleasure of listening to all the points of view of this opposition members.

TRADE

PROVISION OF INFORMATION TO QUEBEC ON EXTERNAL TRADE

Mr. Eudore Allard (Rimouski): I have a question for the Secretary of State for External Affairs.

Could he tell this House if he is aware of a statement made by the Quebec delegate to the Annual Congress of International Relations Club, Mr. Jean Deschamps, who said that Quebec should have access to the economic records governing the Canadian external policy when decisions being taken have a direct incidence on the economic growth of Quebec and, if so, could he tell us if these records will be made available to Quebec at the request of the province?

● (1500)

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am not aware of the report mentioned by the hon. member. We do co-operate with the provinces in providing them with information that would be useful in their industrial development, and we are always happy to co-operate.

* * *

IMMIGRATION

POSSIBLE USE OF KOREANS TO CONSTRUCT TAR SANDS PLANTS—GOVERNMENT POSITION

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the statement made earlier this week by the Minister of Supply and Services that there is likely to be a massive immigration of some 30,000 Koreans to construct 20 tar sands plants in northern Alberta, will the minister say whether his department has been involved in this planning; and in view of the short time—1980—within which to complete these plants, will he say whether his department is now already involved in planning to move these people to Canada?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, it is my understanding that is not the correct interpretation of the minister's comments. I can assure the hon. member that there has been no such formal suggestion made to my department with regard to individuals from Korea. I would also add that we are, however, working very closely with the Alberta government through the Alberta manpower needs committee, which is a federal-provincial mechanism, in discussing the manpower requirements for development of the tar sands.

Mr. Bawden: In view of the fact that closer to 60,000 people with special skills may be required to meet this construction demand, will the minister undertake to advise the House very shortly where the government envisages these employees coming from, and when such a plan will commence?

Mr. Andras: Mr. Speaker, in consultation with the Alberta government through the manpower needs committee that kind of figure has not yet surfaced. However, we are in very close contact with them and the situation seems to be developing very satisfactorily as far as they are concerned.

Mr. Speaker: The Minister of Supply and Services rises on a question of privilege.

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I should like to put on record, so that hon. members will know, that I never said that in my project we were going to attract 30,000 Koreans to Canada. I am ready at any time to give hon. members on the opposite side a briefing, but the problem with the Conservatives is that they sit and think, but mostly sit.

* * *

CANADIAN NATIONAL RAILWAYS

INCREASE IN PASSENGER FARES—SUGGESTION MINISTER OF CONSUMER AND CORPORATE AFFAIRS FILE APPLICATION FOR REVIEW

Mr. John Harney (Scarborough West): Mr. Speaker, that is a hard act to follow. In the absence of the Minister of Transport may I direct my question to the Acting Prime Minister. In view of the fact that Canadian National Railways has announced that it will increase passenger fares by up to 15 per cent on April 1, an increase that follows hard on another increase of the same dimension in November, is the government considering the possibility of approaching the CNR, however humbly, with a view to their not bringing this increase into effect?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this is a question in regard to which I could not be expected to have an intimate knowledge, but I am sure that my friend the Minister of Transport or the acting minister will be happy to reply at an appropriate time.

Mr. Harney: Mr. Speaker, I have a supplementary question which I should like to direct to the Minister of Consumer and Corporate Affairs. In view of the fact that even the Canadian Transport Commission cannot bring about a review of railway passenger fares unless an aggrieved passenger makes an application and asks leave to have an increase in fares reviewed, would the minister undertake to act on behalf of that endangered species, the Canadian railway passenger, and file an application in his own name?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, we have already taken an initiative along these lines in providing a special grant of $100,000 to the Consumers Association of Canada to enable them to carry out a consumer advocacy program whereby they may make representations of this sort before regulatory bodies, both federal and provincial.

Oral Questions

HEALTH

SHORTAGE OF MEDICAL MANPOWER—GOVERNMENT ACTION TO ALLEVIATE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address my question to the Minister of National Health and Welfare. In view of the critical shortage of medical manpower in many areas across Canada and the great dissatisfaction at the disparity in the delivery of medical services, and in view of the threatened cut-off, has the minister discussed this question with his provincial counterparts, and can he assure the House that this condition will be corrected?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like to thank the hon. member for giving me notice. As I have said before, this question was discussed at the last meeting of federal-provincial health ministers and is being reviewed at the present time. I have asked my officials for a report concerning whether medical schools are planning to increase their intake in the coming fall, and when I receive a report I will certainly be very happy to let the hon. member know.

Mr. Rynard: Mr. Speaker, I want to assure the minister that I have some correspondence on this that will immediately enlighten him. Of 2,400 applicants, all qualified, 200 are being considered and only 40 will be chosen.

Mr. Speaker: Order, please.

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LABOUR RELATIONS

INQUIRY AS TO GOVERNMENT STUDIES ON ALTERNATIVES TO STRIKES TO SETTLE DISPUTES

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is directed to the Minister of Labour. Has the Department of Labour any ongoing studies or is it conducting research into new and improved methods of adjudicating labour disputes with a view to developing alternatives to the painful and costly experience of strike action?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker.

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INFORMATION

LEGISLATION TO GUARANTEE SECURITY OF INFORMATION STORED IN DATA BANKS—GOVERNMENT POSITION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Justice and it relates to the problem of protecting the privacy of Canadians in light of the disclosure that dossiers exist in American data banks on literally hundreds of thousands of Canadians and that the government cannot even guarantee the security of its own data banks. Could I ask the minister whether the legislation that he will be

[Mr. Gray.]

presenting, and which he has indicated is not yet ready, is awaiting a report on this matter by the Minister of Communications, which was referred to by the Prime Minister last week when he said of the Minister of Communications: "He has not yet brought to me or to cabinet any specific recommendations, but we are anxiously awaiting his report"?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the legislation to make effective security measures within government in regard to our own information will be coming forward. It will incorporate work that is being done at the interdepartmental level involving the Departments of Communications and Justice, among others, which are devising the draft rules that will apply to all information within governmental control.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Is it correct to infer from the minister's answer that at the present time the government is concerned only with preparing legislation on the internal procedures within government and that the minister is preparing no legislation to deal with the problem of storage of data on Canadians in foreign data banks, though the government has been aware of this for two years now?

Mr. Lang: No, Mr. Speaker, that would not be a correct assumption. The most advanced work likely to lead to legislation at the earliest date is in the field I have just mentioned. A good deal of other work is going on, particularly in the Department of Communications, on the very serious technical questions that arise in connection with the control of computer information, whether in the hands of government or private sources. In addition, work is going on, in co-operation with the provinces, concerning the privacy of information or the right to privacy of individuals, the control of information in the hands of private institutions, and such other questions as what right a person ought to have to get access to information that is used against him. This very definitely involves provincial jurisdiction as well as federal jurisdiction and therefore this co-operation is essential.

● (1510)

Mr. Speaker: Order, please. Hon. members will realize that there are only five minutes until the end of the question period and there are some 25 or 30 members still seeking to ask questions. Rather than supplementaries and extended questions and replies every time a question is asked, I would think in all fairness to those hon. members who are waiting that questions should be brief.

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THE CANADIAN ECONOMY

SUGGESTION THAT CANADA ENTERING HYPER-INFLATION PHASE—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that the rate of inflation in some western European countries is now over 10 per cent and that the rate in the United States and Canada is increasing, can the minister

say whether the Canadian and world economies are now entering a hyper-inflation phase?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that is a matter of judgment and vocabulary.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I will not say that I necessarily agree with the answer by the minister, but I do take exception to the question from a procedural standpoint. The hon. member has asked for an expression of opinion and a question in those terms should not be asked.

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EXTERNAL AFFAIRS

POSSIBLE GOVERNMENT REPRESENTATIONS TO TURKEY TO CONTINUE BAN ON CULTIVATION OF OPIUM POPPY

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the fact the government of Turkey has lifted its three-year ban against opium poppy cultivation, contrary to the wishes of many western nations, and in view of the fact that up to 80 per cent of the heroin in Canada is said to originate in Turkey and is causing untold crime and human suffering here, would the Secretary of State for External Affairs indicate whether he has made any representations to the Turkish government urging that it reimpose its ban on poppy cultivation? Is he considering reductions in our economic and military aid to Turkey as a means of making Canadian views felt on this subject?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is my understanding that the Turkish government has not yet taken a decision to renew cultivation of opium poppies, and at the meeting of the United Nations Commission on Narcotic Drugs in Geneva last month the Canadian representative commended the government of Turkey for its humanitarian effort up to the present in reducing production.

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SOCIAL SECURITY

SUGGESTED EXEMPTION OF MUNICIPAL GOVERNMENTS FROM PAYMENTS TO CANADA PENSION PLAN ON BEHALF OF ELECTED OFFICIALS—GOVERNMENT POSITION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to address my question to the Minister of National Health and Welfare. In view of the fact that many municipal councils pay a share of Canada Pension Plan contributions on behalf of their elected representatives, and in view of the fact that most councillors are otherwise employed and are therefore able to recover their portion of Canada Pension Plan contributions when they file their income tax returns, will the minister review the 1969 cabinet decision and give consideration to exempting municipal governments from making these contributions in cases where elected officials are otherwise employed?

Hon. Marc Lalonde (Minister of National Health and Welfare): Yes, Mr. Speaker.

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AGRICULTURE

POSSIBILITY OF IMPORTED CATTLE CONTAINING DES—GOVERNMENT ACTION TO PREVENT

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture which has to do with the cattle situation at the present time and the possibility that United States cattle coming into Canada contain the growth stimulant DES. Can he very briefly explain the government's position on this matter and indicate more specifically whether there will be any move in the very near future to restrict United States cattle containing this growth stimulant from coming into Canada?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, both the Minister of National Health and Welfare and myself have stated in the past that it is illegal to sell meat in Canada that comes from cattle that have been implanted with or fed the growth stimulant DES, and we are going to make sure that none of that meat is allowed into Canada.

Mr. Murta: Since cattle that have been implanted with DES could be coming into Canada in quantity as early as the first part of April, what methods will the minister use to stop these cattle from entering Canada?

Mr. Stanfield: He can recognize them.

Mr. Whelan: Mr. Speaker, at the present time we are discussing several methods.

BEEF CATTLE—SUGGESTED ADJUSTMENT OF TIME LIMIT ON SUBSIDY ON GRADES A3 AND A4—GOVERNMENT POSITION

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is supplementary to the question asked of the Minister of Agriculture and relates to meat prices. In view of the fact that dressed meat in shopping centres and chain stores in Montreal fell three cents this morning, and in view of the fact that 2,500 head were held over in Toronto from yesterday because of the chaotic situation in the industry, is the minister prepared to adjust the time limit on his subsidy on grades A3 and A4, particularly because of the situation in the market right now?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this has been suggested by other hon. members of the House, and also by the Canadian Cattlemen's Association. It is being looked at. I can only say that I would hope we do not build up any false hopes in the trade and that they will continue to go about marketing cattle like good corporations should.

Some hon. Members: Oh, oh!

Mr. Horner (Crowfoot): You are destroying confidence in the industry.

Oral Questions

BEEF CATTLE—SUGGESTED INCLUSION OF GRADES B AND C IN SUBSIDY PROGRAM

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, we are rapidly reaching the point where there is no hope at all, let alone false hope. I should like to ask the minister in respect of the question of subsidies on beef whether he will include grades B and C as well as A grades in that subsidy program so that the confusion which now exists in the stockyards can be straightened out, and so that the producer as well as the processor will have some confidence in this program?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I should like to correct any wrong impression I may have given in my answer to the hon. member for Crowfoot. I meant the packing firms. Some of them have been co-operating and if they all co-operate this program can be successful.

In answer to the last hon. member's question, we are considering these things, but I am not holding out any false hopes again because in the North American market, where the actions of one country complement those of another, the United States government is spending $45 million to take red brand meat off the market and they are just using the top brands.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Laval and then the hon. member for Vegreville.

* * *

[*Translation*]

TRANSPORT

PROPOSED RAPID TRANSIT SYSTEM BETWEEN MONTREAL AND MIRABEL AIRPORT

Mr. Marcel Roy (Laval): Mr. Speaker, since the hon. Minister of Transport is absent, I will direct my question to his parliamentary secretary.

This question is very important, Mr. Speaker, since it concerns the proposed construction of an electric train rapid transit system using the existing CP and CN rail lines between downtown Montreal and Mirabel Airport via the City of Laval. What will be the terms of the agreement between the various levels of government to deal successfully with the realization of such a project?

[*English*]

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to answer in French. If I give the answer in English I will probably be criticized once again, but I know we are in a bilingual country.

[*Translation*]

The recommendation respecting the utilization of an electric train transit system is the result of a joint study by the federal Department of Regional Economic Expansion and the Quebec Department of Transport. The government wishes to continue its consultations with the other levels of government in this respect before fixing its choice on a particular transit system.

[Mr. Horner (Crowfoot).]

[*English*]

Mr. Speaker: Order, please. I will not comment on the procedure we have just witnessed and about which I have serious reservations.

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AGRICULTURE

BEEF CATTLE—POSSIBLE MANIPULATION OF SUBSIDY PROGRAM BY PACKERS—GOVERNMENT ACTION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a supplementary question to the Minister of Agriculture. In view of the fact that the government has now become very deeply involved in the meat marketing process I should like to ask whether he is monitoring and examining the purchasing policies of the various packers throughout the country since evidence would indicate that packers have been taking undue advantage of producers through the manipulation of prices and by deliberately refusing to purchase cattle from a number of producers, thereby creating additional chaos and confusion in the marketing process?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are getting replies from our people and others in all parts of the country, and we are trying to put these together because we are to meet with officials of the cattle industry tomorrow.

Mr. Mazankowski: I have a supplementary question.

Mr. Speaker: Order, please. We have reached the end of the question period. Perhaps the hon. member for Vegreville could be allowed to ask his supplementary question, after which the Chair will have to call orders of the day.

● (1520)

Mr. Mazankowski: Mr. Speaker, may I ask the minister whether his department intends to take any specific action if the evidence indicates there is undue manipulation and deliberate withholding of purchases in this regard?

Mr. Whelan: Mr. Speaker, if we find evidence, as the hon. member is suggesting, that this practice is taking place and is contrary to any law we certainly will recommend that action be taken under whatever legislation is on the books that would allow us to do so.

Mr. Speaker: Orders of the day. The hon. member for Calgary South rises on a question of privilege.

Mr. Bawden: Mr. Speaker, the usually sensible and practical Minister of Supply and Services made a statement to the effect that the Conservatives sometime sit and do nothing. Earlier this week the Minister of Supply and Services made some impractical, irresponsible statements regarding a plan for the development of the tar sands in Alberta. No doubt he is able to do so because he expects in the near future he and his colleagues will be sitting in opposition.

Mr. Speaker: Order, please. Will the hon. member indicate in what way he feels his parliamentary privilege has

been infringed so that the Chair may determine whether debate should be pursued on the hon. member's point.

Mr. Bawden: I shall not pursue the point any further, Mr. Speaker.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITION, ADMINISTRATION AND OFFENCES

The House resumed, from Wednesday, March 20, consideration of the motion of Mr. Gray that Bill C-7 to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, when this subject was last debated I had barely touched the part of the bill dealing with sports, and amateur sports specifically. On that occasion I said that there used to be only six teams in the NHL. *Hansard*, as recorded at page 720, indicates I said there were only 16 teams in the NHL. Obviously, the *Hansard* people are not hockey fans of old time standing because it is a well known fact that in days gone by there were six teams and there are now 16 teams in the NHL.

I was leading up to the subject of hockey, amateur sports and the question of amateurs being signed to contracts. Basically, the situation we have in Canada is that the NHL pays a sum of money to the amateur teams for the development of capable hockey players, those who would be able to play in the NHL. Now, we have the World Hockey League which is grabbing off some of the players without making any payment to the local teams which developed the players. This, to me, is a weakness in the present situation. I believe competition will soon take care of this, but if it should not then we will see the development of professional junior hockey teams. The CAHA has failed to make any strong move in this regard when dealing with the World Hockey League. There are rumours in western Canada that there might be a senior-junior professional hockey league formed, and in that case the juniors would be signed and would be the property of the team for which they were playing.

Now, before everybody jumps on the bandwagon and says what a sinful thing that would be, let me point out that many juniors who now play in the NHL or the WHA previously spent plenty of time in perhaps three minor leagues. Someone suggests that those leagues are even semi-professional. The junior leagues in Canada today are semi-professional. Let us take a look at these young hockey players. Canada basically is the talent area for the professional teams on the North American continent.

There are 12 teams in the World Hockey League and 16 in the NHL.

It is necessary that we help keep alive and encourage the junior, juvenile and midget hockey teams, and the NHL and the WHL should pay something for the development of the talent these leagues provide. Today there are thousands of active people all across Canada who take their kids to hockey school and to hockey games. These people who are keeping the kids healthy, keeping them off the street and contributing to the pool of hockey talent, should be given some help. These thousands of citizens do this, of course, for the benefit of hockey but also for the benefit of young Canadians. I believe the CAHA has failed to ensure in some way that the local teams, as far down the line as even midget, receive some benefit for the development of this talent. If this is not done we will see a professional junior hockey league.

I read an interview with the owner and coach of the Calgary Centennials, one of the better western junior hockey teams. He advocated professional junior hockey teams. He said this is coming. Why did he say that? Because he was very annoyed that the World Hockey League and the NHL intend to grab off three of his stars this year. They intend to take three of his stars and give the Calgary Centennials very little in return. Sometimes these kids have spent five years in organized hockey in the city of Calgary. This has been possible because of the contribution made by volunteer workers. These volunteers are not prepared to continue to deliver the talent unless there is some compensation. If we had professional junior hockey teams these would sign up all those teenagers. This may be the way we will have to go in order to protect the volunteer work that has gone into the development of the athletes which Canada has proven to have such an ability to produce in the field of hockey. I do not think this would be all bad. I believe we must protect and maintain that community of interest and spirit which has developed so many good hockey players and good hockey teams in the past.

While speaking on this particular aspect, I should like to say a few words about the controversy which is taking place in the football field. At one time there were two national football leagues in the United States, the AFL and the NFL. These two leagues have now amalgamated and formed a conglomerate of something like 16 professional teams. Now, we hear about the starting up of the World Football League. It really does not matter whether the Toronto Northmen get off the ground. It is a fact that on the North American continent there will be 10 or 12 more professional football teams whether or not the Toronto Northmen are allowed by this government to operate. A fellow by the name of Davidson has substantially proven the fact that he has a hold on the World Football League which will have ten or 12 teams on the North American continent.

An hon. Member: Are you in favour of it?

Mr. Horner (Crowfoot): I will get to that in a moment. Let us work from that premise. There are 26 teams in a conglomerate now playing professional football in the United States and nine in Canada. There will be an additional 10 or 12 teams on the North American continent

playing professional football. As a young lad I never tried my hand at football and had no particular liking for it. I wanted to get into hockey. There were only six NHL teams and it was a pretty difficult test. Perhaps I could have done it, perhaps not. I chose ranching instead. But that is not the point. There are many young Canadians, among them my sons and my grandsons, who want to get into professional sports. It pays big money and it is an entertainment. They can get their names in the headlines. As my friend suggests, it is also an industry.

● (1530)

I remember playing shortstop in a ball team and a kid I played against was a good shortstop player. He was sixteen years old at that time. He could have been on my team. He ended up playing professional football. If somebody had come along at that time and said to me that kid will play professional football in Canada, I would have said that that kid does not know the shape of a football; he is sixteen and there is no hope for him at all. That was true then. But he made the Calgary football team and was named rookie of the year. He ended up playing football for the Toronto Argonauts. I would not have thought it possible. It may well be that there is a Canadian star in the NFL. It is an entertainment and Canadians have proven that they are good entertainers if nothing else.

I am thinking of the Toronto Argonauts right now. Years ago I played hockey with Jim Cahill's father. I remember those cold days when his father and I used to get up, light the stove and watch the smoke curl over the roofs of the town. Nobody could have convinced me that Pat Cahill's son could have been a star for the Toronto Argonauts. Toronto was a long way from northern Saskatchewan. I would not have believed that Jim Cahill would have made it, but he did.

Some day a Canadian will get into this conglomerate which operates in the United States. Some day there will be plenty of Canadians playing in the Canadian Football League. Why should the government restrict those Canadians and keep them at home? We did not keep Anne Murray at home. We are proud of her singing ability whenever the government gives her a chance to advertise Canada with a song or two. We said to her: "go forth, young girl, and conquer the entertainment field on the North American continent if you want". We did not keep Lorne Greene home. We sent him to Hollywood, or at least he went himself and he became a star and made "Bonanza" famous. He was one of the most well-liked newscasters in Canada. We did not say to him that he was limited and could not break into that field, that there was no future for him in the United States. We wished him well. We call him back every once in a while and we are proud to say he is Canadian.

Why should we say: a curse on the world football league; you will rob us of Toronto, you will rob us of Canadian talent? I look upon it completely differently. To me, it is a window on the world for a football player. Knowing how much money they are making in football, if I were younger I would take a whack at it. I would not look at the nine teams in Canada and hope to sit warming a bench for one of them. I would say: there are 26 teams in the conglomerate operating in the United States, ten more teams in the world football league, that makes 36 teams, nine teams in Canada, that makes 45 teams, and they all carry a roster of some 40 players.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. Does the hon. member wish to ask a question?

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I would like to put a question to the hon. member for Crowfoot (Mr. Horner).

[*English*]

The Acting Speaker (Mr. Laniel): The hon. member for Sherbrooke.

[*Translation*]

Mr. Pelletier (Sherbrooke): Mr. Speaker, I would like to know what the hon. member for Crowfoot thinks of the fact that several Canadian athletes go to the United States to further their studies and that we are allowing American professional teams to enter Canada while in most of our universities where there is tremendous athletic potential, they received no help.

In my opinion, the federal government and most provinces have failed their duty. So, I would like to know the hon. member's opinion on that matter, because I think that is where the potential is.

[*English*]

Mr. Horner (Crowfoot): I do not disagree that there is a great potential in the universities in Canada. That was the very point I was making. But let us not act hastily against the world football league, the Toronto Northmen or any other team. By cutting off our nose to spite our face, we will limit the potential ability of some Canadian down the road. I am no friend of the Bassett family, none whatsoever. I disagreed with them a time or two. But what is the offer they have made? Mr. Bassett owns the franchise to the world football league in Canada. No other team can be formed to enter the world football league without the consent of Mr. Bassett. Whether or not he should have that privilege, I do not know.

However, I know that he is prepared to give that privilege to the Minister of National Health and Welfare (Mr. Lalonde) if the latter wants it. He is saying: "Let us operate the team in Toronto. I will not actively put another team in the world football league in Canada and I will give the Minister of National Health and Welfare the privilege of deciding whether there should be a world football league team in Montreal or one in Vancouver". He is also saying what I, as a westerner, fully appreciate, namely, that the Toronto Argonauts have paid into an equalization fund to help support some of the less fortunate teams in western Canada. He also said publicly—and I believe I heard a newscaster in Calgary state it—that he is prepared to make certain that the equalization payment paid last year by the Toronto Argonauts will be met for the next ten years. That is a pretty bold guarantee.

What he is saying really is that, since the Toronto Argonauts paid into the equalization fund $40,000 last year and if, because of reduced gate receipts as well as the world football league entry, their equalization payment is only $20,000, Mr. Bassett would personally make up the difference. Being a westerner and somewhat sceptical of

some people in Toronto, I might want that guarantee in writing. I think that Mr. Bassett would probably put it in writing.

An hon. Member: It already is.

Mr. Horner (Crowfoot): I am pleased to know that.

The only point I want to make abundantly clear is that he is not trying to deliberately destroy the CFL in Canada. A colleague of mine, Dick Beddoes, an old Albertan who studied agriculture at university with me—he probably does not remember me but I remember him, he ran the university paper—said in the Toronto *Star* that all 19 Albertans would support the CFL. You bet I will support the CFL. I will also support the potential opportunity for young Canadians to get into the entertainment field. Mr. Bassett stated publicly that he will not televise any of the world football league games in Canada. To me, that is proof that he is not trying to destroy the CFL. He is making three conditions: he is guaranteeing that the equalization payment will be met; he will not televise any of the world football league games in Canada; and he will not promote any other entries from Canada into the world football league. If he tried to promote another team in Calgary, one in Vancouver or one in some other city such as Montreal which has often been mentioned, that might have harmful effects. If Torontonians want to be entertained by football, that should be their privilege. If they do not like the American style game, I certainly hope they will register their feelings at the box office. That is where they should cast their ballot in that regard. If Bassett loses money, it won't hurt me at all. In fact I have been led to believe that he can afford to lose a little. And as someone behind me suggests, he is not going to ask for a grant.

Governments do not belong in business. They do not belong in the entertainment field, and really that is what football is. We can make a great case about flag waving, saying this World Football League entry will destroy the Regina Roughriders. Mr. Speaker, I have watched the Regina Roughriders play in Taylor Field. I watched them beat the pants off the Calgary Stampeders a couple of years ago. That was a very disheartening game. But we are only fooling ourselves if we think that a stadium the size of Taylor Field will pay as much as an 80,000 seat stadium in Detroit or Chicago. We must take a longer range look at this whole matter.

We are opening the door for Canadians. Canadians will be playing in the World Football League in Toronto. I am certain of that. The Jim Corrigills of Ontario will make it their business to make that league, and when they do, their performances will be televised all over the United States. Then, managers in the United States will say, "That is the place we have to go for our football players. They grow them tough, up in Canada. They have cowboys and Indians up there. We can get some good players in Canada." Mr. Speaker, we should be saying, "Thank you, Mr. Bassett, for allowing Canadians to play in the United States." An hon. member says that we should open up the States to our beef. It is open to beef already, and in fact I would like to sell a little more in the United States.

This silly Minister of National Health and Welfare (Mr. Lalonde) thinks he has a great issue. He thinks that westerners will back him, and that he will get votes in western Canada on this issue. He may get some votes in western Canada on this issue, but we must look at what is good for Canada. I remember a young Albertan saying that to him the Grey Cup meant more than the flag. I told him that was an awful thing. I was not one of those who promoted our flag, but it is Canada's flag. Some Liberals like to think it is Pearson's flag, but I say, it is Canada's flag. Grey Cup games and Canada's flag should not be compared with each other, but the minister has attempted to do that. He says that with the Grey Cup and waving the flag, Canada will march on to greater heights. That is not the issue.

The issue is potential opportunities for Canadians. Are we going to deny Canadians the chance to show their wares? It will be selfish to do that. If the Minister of National Health and Welfare is worrying about the city of Montreal breaking into the AFL, or whatever that conglomerate south of the border is now called, I say that is something for Montreal to decide. I am certain that if Mayor Drapeau said he wanted an American football team in Montreal he would get it. The mayor has that ability.

Many Canadians are very proud to have the Montreal Expos located in Montreal. That team is made up of a lot of Americans playing ball in Canada. It came along too late for me, or else I was born 30 years too soon, but I am certain, there are many young ball players in Montreal and throughout the Quebec area who now will have the chance to play baseball in the United States. They may not make the Montreal Expos, but they might make the Boston Red Socks, or for that matter the New York Yankees. I am certain that the Expos have opened the door for many Canadians to play professional baseball in the United States. The Expos have broadened opportunities for Canadians. The Expos have paved the way for Canadian ball players to reach highly paid jobs. As I say, we should be thanking Mr. Bassett for doing the same thing for football players, instead of placing stumbling blocks in his path. The proposed entry of the World Football League will not hurt the CFL, and I believe Mr. Bassett has gone to great lengths to prove his intentions are not to hurt the CFL.

With respect to competition and the robbing of players from the CFL, we must remember that there are 26 teams in the United States. If they want to outbid Canadian teams in the CFL for player talent, then with their huge gate receipts they can do that right now. No doubt they have done so on many occasions in the past. I suppose the World Football League will be no different, but just as our CFL professional football teams opened up opportunities for Americans to play in Canada, the World Football League will open the door for aggressive young Canadians who want to get into the big money in the football entertainment field. I for one will do my utmost to kill the bill that the Minister of National Health and Welfare threatens to introduce, because I think it would be wrong for Canadians, wrong for young athletes whom we admire so much and for whom we should be doing our best as legislators.

Mr. Frank Howard (Skeena): Mr. Speaker, it is some time since the House had an opportunity to deal with what might be called an over-haul of the combines law. I think that probably throughout the country there is a general

feeling that we should look at the Combines Act and combines law as something sacred, as something that should not be questioned.

It has a good atmosphere about it. It is that type of legislation which, at least superficially, is designed, and is extolled as being of general value to the public because it seeks to protect the public from price fixers, from those who would agree to set up a cartel and carve the country up into distribution areas, so that one company will do business only in one area and will stay out of another fellow's territory. It is looked upon as protecting the public against predatory price cutting which drives companies out of business, just as the Eddy Match Company did a few years ago. It is looked upon as protecting the public against monopolies, oligopolies, unfair trading practices, and a variety of other bad features connected with the activities of corporations.

Probably this was a valid assessment at the time of the inception of the Combines Investigation Act just after the turn of the century, taking into account corporate structure and its relationship to the country 60 or 70 years ago. However, the corporate structure since that time has changed so dramatically, and become so large in many instances, that some corporations are more powerful and have a larger budget for expenditures than governments. In this situation, the combines investigation law, as an effective piece of legislation to protect the general public, has probably outlived its usefulness in its present form. It tends to cover a smaller and smaller segment of the corporate world, and a smaller and smaller segment of corporate activities. Multinational corporations have such a dominant position in the marketplace that they need not engage in any price fixing activities. They need not conspire with other companies to establish a fixed quality for their products. They need not engage in any of these activities because of their size and thus are aloof from the law, or above any feeling or idea that the Combines Investigation Act will protect the public from the rapacity of their operations.

● (1550)

Members of my party have very serious doubts, as I have, about the effectiveness of the Combines Investigation Act. We have very serious doubts about the effectiveness of the bill before us which seeks to amend the act, and we have very serious doubts about the attitude of government in enforcement of that act. I look upon this bill as a patchwork approach, despite the view expressed by the hon. member for St. Paul's (Mr. Atkey) the other day that it was a major and dramatic move—

Mr. Atkey: And dangerous.

Mr. Howard: —in certain areas so far as restrictive trade practices are concerned. He just reiterates what he said then. I did not hear him speak but I read what he said in *Hansard,* word for word, which is unusual for me I might say. I think this is a patchwork mechanism. It is like trying to repair an old inner tube; there might be some effect from the installation of one patch on the tube but it is so worn that it is a shorthrun measure. Like the tube, the effectiveness of this bill is extremely limited.

Mr. Atkey: Is that your party's position?

[Mr. Howard.]

Mr. Howard: I look upon the sanctions in the bill as something that can be easily circumvented. I would not be surprised if some corporations know a great deal more about the Combines Investigation Act and its operation than most of us, and have already found ways of circumventing it.

The hon. member for Toronto-Lakeshore (Mr. Grier) very effectively dealt with the provisions of the bill and laid out this party's position with respect to it. We have no doubts whatever about the general lack of effectiveness of this type of approach in dealing with the market structure of this nation or the North American continent or, indeed, the world, and of the impact upon the economy of the multinational corporations. In this regard the bill is not worth looking at; it has no effect on these questions.

The hon. member for Toronto-Lakeshore dealt with the matter of food prices in great detail. He spoke of the limited supply of specials that are advertised, the question of double ticketing and raising the price of food on the shelf. The latter will be prevented by this bill but already the food chains have circumvented the intent of the bill. They do not double ticket now; they do not raise the price of the product on the shelf by putting one sticker over another but take it into the warehouse or the backroom and do it. Now, they tear one sticker off and put another one on. That circumvents the intent and purpose of this bill, and to that extent it is meaningless legislation.

He spoke of marketing practices like the red light over the meat counters to make you think that the beef is almost alive—as if anybody would want to buy beef in that condition. This has been going on for years, Mr. Speaker, and the bill does not touch that practice. Food chains put up great posters in vivid colours that say "Special, regular 13 cents—today 3 for 39" or something like that. The thing that catches your eye is that word "special". You get three for 39 which is the same as 13 cents a piece. The bill does not prevent such practices and they are still being followed.

A number of years ago Vance Packard wrote a book called "The Hidden Persuaders" in which he dealt with the methods used by the chain stores to get people to buy things they do not want or need at exorbitant or misleading prices. This bill does not touch that problem at all. There has been, and I expect there will continue to be, an attempt on the part of the administrators of the combines investigation branch to assist companies in circumventing the law. This may be a harsh statement but I think that this practice has been upheld by the immediate past Director of Investigation and Research, Department of Consumer and Corporate Affairs in the annual reports and the statements that he used to make. I should like to quote what he said in the annual report for the year ending March 31, 1973. Indeed these words were contained in previous annual reports, so there was no need to bother resetting the type but merely insert new figures. Here is what he said at page 10:

Businessmen have for many years come to Ottawa for advice respecting the application of the Combines Investigation Act.

I bet they have. When the Conservatives were in office businessmen were here seeking advice, too. He continues:

Consultation with businessmen about their problems has been encouraged as a positive program. It has been referred to in former

annual reports as the program of compliance and it is intended to be a vigorous and sustained program involving education and explanation, discussion of business problems and the giving of opinions concerning the application of the act.

As part of the program, businessmen are encouraged to discuss their problems before they decide to introduce policies which might prove to be in conflict with the Combines Investigation Act.

You know what that is doing, Mr. Speaker. The explanation of how to comply with the act is, in fact, an enticement to the businessman to go right up to the borderline, to see how far he can go without getting caught. These explanations not only tell him how to comply with the act but how to do so in a minimal sense. We know that decisions about prosecutions under the act are made by the Department of Justice. I submit that the department's lawyers are ill-equipped to make decisions of that nature. It is beyond their scope, beyond their comprehension. They are solicitors, not barristers, lawyers who sit in their offices and make sure every comma is in place. What do they know of the market place, or what it is like for the housewife to run up against conditions which steal the dollars from her pocket every time she goes into the store to buy something? This situation, apparently, is to be continued.

● (1600)

That brings me to my point. It is suggested that, apart from its limited effectiveness in protecting the consuming public, the bill makes provision with regard to banks. I suggest that is not so. It is true the bill refers to banks, but the provision with respect to banks is not worth the paper on which it is printed. It is ineffective, meaningless. Why? Because of the way banks set their interest rates. Only two questions are involved: how much interest will banks charge for the money you have borrowed, and how much interest will they pay on deposits? Whether the smile of one manager is more attractive than the smile of another manager or whether you are served by a pretty, buxom girl, wearing a button which says, "Let's talk"—the implication being that she wants to talk about something other than lending you money—is not important. That is not the question. Really, we are considering interest rates.

Banks set their interest rates either according to the rate the Bank of Canada sets, in which case they are not free agents but follow the lead of the Government of Canada, or they set them according to the price leadership approach. Mr. Speaker, the price leadership approach is the most effective mechanism yet devised by which corporations can fix prices without being found guilty of contravening the act. The price leadership approach for fixing prices has been used effectively, for instance, in the pulp and paper industry. It works something like this: one day the president of a company will say, "Today we will announce that the price of pulp is to be increased by $4 per ton." He makes his announcement. Two days later the president of another company says, "Say, that is a good idea; we will go along with it." The same sort of thing happens with banks. That is how they establish interest rates.

Clearly, in this area the value of the bill is nil. It is nothing more than a conscious, deliberate attempt to deceive the public into thinking that something will be done to protect them against the banking interests of this nation, when the bill will not do anything. Does the bill imply that interest rates for home builders and homeowners will come down? No. Does it indicate that such people will get a better deal from the financial institutions of this country? No, sir. This is window dressing, designed to satisfy those who have complained in the past that the Combines Investigation Act deals with commodities, not with services. In the past, banks have been looked upon as providing a service. You could more appropriately call it a disservice to the public the banks serve, and to the country as a whole.

In 1960, when the Combines Investigation Act was amended, there was a conspiracy entered into right in this chamber involving the then minister of justice, Hon. Davie Fulton, and the then representative from Newfoundland, Jack Pickersgill. We referred to the amendment as the Pickersgill-Fulton amendment because the Tories and Liberals rushed so happily into each other's arms in putting through that amendment to the Combines Investigation Act which we felt to be offensive and designed for no other purpose than to permit corporations to circumvent the price fixing provisions of the act. The present minister is not only carrying forward the spirit of that provision; he is expanding it. I am talking about the provision which provides a defence in case you are charged with fixing prices, or restricting the quality or quantity of a product in the market place, and so on.

Mr. Leggatt: Which section?

Mr. Howard: I am referring to section 32(4) which provides that in a prosecution under subsection (1), which deals with limiting supplies, fixing price and so on, the court shall not convict the accused if the conspiracy, combination, agreement or arrangement relates only to the export of articles from Canada. Clearly, the term "articles" can be interpreted broadly and may have broad application. This, then, is a sanction for fixing price. It is an authorization to establish a combine. True, on the face of it, it is limited to the production, marketing, distribution, etc. for the export market. Nevertheless, this is authority to fix prices, and will apply to the domestic market by osmosis, if by no other means.

For example, consider the fish canning industry of British Columbia. It is dominated by two companies which are linked together at the top. Actually, there is one dominant fish canning company in British Columbia. Under our corporate laws these two companies are two corporate entities; if they enter into a combination, they are liable to prosecution under the act. Yet, they are completely at liberty to sit down together and work out a fixed price for canned salmon for the export market. You can bet your boots that once they have worked out a fixed price for the export market, that price will become the fixed price for the domestic market as well. It is all perfectly legal, perfectly legitimate. The minister seeks to carry that situation forward in this bill.

May I deal with another aspect of the bill? It is deficient in that it does not apply to the Crown. The government is exempt. The government can engage in conspiracies. It can do a number of things. It can enter into a conspiracy with private interests which wish to move towards a monopoly position. At the moment we are engaged in a controversy

regarding oil. In particular, we are discussing the future development of what are loosely called the Alberta tar sands.

In this connection I wish to refer to the Hudson Institute, an organization which has been in existence in the United States for a number of years. Its activities have centered on the defence industry of the United States. It has become almost an agency of multinational corporations. Recently, I understand, it opened a branch or subsidiary office in Canada. I am told that Mr. Kahn, the Director of the Hudson Institute of New York, has met with the cabinet and discussed the tar sands. That is what I have been given to understand. If I am wrong, I will gladly withdraw anything my remarks may imply. As I say, I am told that he met with the cabinet, primarily on the question of developing the tar sands. His position was this: do it quickly; do it with borrowed foreign money; pay for that money with the oil production; sell out our resources to the highest bidder, for the quickest buck. That is exactly the same type of pitch the Minister of Supply and Services (Mr. Goyer) made a few days ago to the Chamber of Commerce meeting at Calgary. He said in so many words, "Let us find $20 billion of foreign money; let us get it any way we can; let us build distillation plants, refinery plants and what have you as quickly as possible. Let us sink $1 billion per year into them." Then he said, "Let us develop the tar sands and use every nickel we get from them for paying off as quickly as possible the $20 billion we borrowed in the first place, and let us defend the position of the oil producing monopolies of this world."

● (1610)

I submit it was not by coincidence that the Minister of Supply and Services made the same kind of pitch in Calgary as was made by the Hudson Institute. First, it had the full blessing of the Prime Minister (Mr. Trudeau). In fact, he stood up in this House on one occasion in the last couple of days, turned with glowing features to the Minister of Supply and Services and said: Yes, he has continued this research; he is permitted to say whatever he wishes with my complete blessing. To hell with the Minister of Energy, Mines and Resources (Mr. Macdonald) and what he is trying to do. From now on, it is the Minister of Supply and Services. Why? I submit to you, Mr. Speaker, that the answer is simple, and it is based on the concept that blood is thicker than water. The Prime Minister, on this question is much closer to his friends in Quebec than he is to his friends who may be elsewhere in this country, including the Minister of Energy, Mines and Resources.

The Prime Minister got to be leader of the Liberal Party through a kind of minor conspiracy,—I do not say that in any unfair sense—that is, through an involvement of power groups. He got his votes from the people and his money from the Power Corporation of Canada whose headquarters is in Quebec.

Mr. Roy (Timmins): Nonsense!

Mr. Howard: Somebody said "Nonsense". I submit that the Power Corporation of Canada is now asking for repayment—and it will probably get it.

Mr. Roy (Timmins): Don't be an idiot!

[Mr. Howard.]

Mr. Howard: The hon. member said "Don't be an idiot". I am convinced there is probably no greater expert on that subject in the House of Commons.

An hon. Member: Right on!

Mr. Howard: Some of his own colleagues said "Right on!"

Let us examine the connection. There is a gentleman by the name of Claude Frenette who used to be executive assistant to the Mr. Sauvé when Mr. Sauvé was in the cabinet for a short-lived term as minister of forestry. Claude Frenette then moved from that position to become a senior executive in the Power Corporation of Canada. He is now, I gather, to be transferred, or to proceed, if he is not already there, to a position of some prominence in the Hudson Institute, the group which made the presentation about the tar sands.

In the fall of 1967, there was wonderment in this country as to who was going to be leader of the Liberal Party—who would be the candidates, and that sort of thing. Various people were holding meetings in the Province of Quebec, and quite rightly so; there was a contest going on to determine who would be the leader and it was a question of who they should support. That is all right. Of that group, one came into prominence, and if there was a leader it was this same Claude Frenette who met with a gentleman by the name of Marc Lalonde who later became principal secretary to the Prime Minister and is now the Minister of National Health and Welfare.

Another of these gentlemen who engaged in these meetings with Mr. Frenette, Mr. Lalonde and the others is the gentleman who is now the Minister of Supply and Services. He was involved in these meetings in the fall of 1967. The group used to meet every Friday night in the boardroom of the Power Corporation of Canada. Mr. Speaker, I am quite sure that a group of ordinary citizens, even though one of them might be a member of parliament and the other a senior executive in the Power Corporation, would not have the authority or the sanction to use the boardroom of the Power Corporation as a place in which to meet every Friday night without the directors knowing about it and authorizing it. They had the consent of the Corporation.

Mr. Roy (Timmins): Slimy insinuations!

Mr. Howard: These are no slimy insinuations. These are direct facts. I am not here, in any case, to engage in any exchanges with the hon. member about that sort of thing. I am here to lay on the line, as I see it, what is happening to the energy resources of this nation under this cabinet, which his party supports, and which is selling these resources down the river for the quickest buck it can get.

Some hon. Members: Hear, hear!

Mr. Howard: Then, there is one Jean-Luc Pepin who is presently on the board of directors of the Power Corporation, having been elevated to that position since he was defeated on the hustings last October. There is a direct connection between the Liberal heirarchy and the Power Corporation of Canada. That is no insinuation. It is a statement I make here and I will make it outside, too, just

in case it may be thought I am using my present position to say things I am afraid to say elsewhere.

Let me recapitulate. First, energy, particularly oil, has been the source of fantastic profits in this country. It has been the source of the growth of monopolies, of oligopolies. It has been the source of the intrusion of foreign money which has bought out this land. It has been the source of price fixing, of limiting production, of selling out for the quickest possible dollar to anybody regardless of the consequences for Canadians. This has been the story for some time, now. There are quite a few billion dollars of potential profit involved, so those who are interested, and those who have been on the gravy train and who have been the recipients of gifts from government over the years, are going to try to take advantage again of this situation.

I will recapitulate what I have said, and put it in some sequence. There is Claude Frenette, the gentleman who used to be executive assistant to Mr. Sauvé when he was in the cabinet, who then became a senior executive of the Power Corporation and who subsequently moved to the Hudson Institute. We have the group behind Trudeau prior to the 1968 election comprising the present Minister of Supply and Services, the Minister of National Health and Welfare, the same Claude Frenette and the Power Corporation of Canada with its multimillion dollar investments all over the nation. The Minister of Transport (Mr. Marchand), one of the three wise men, is missing from all this in 1967 and 1968. He and the Minister of Communications (Mr. Pelletier), had entered this House seeking a leader from Quebec, a man who was to save this country from itself but who has done more to damage it than any prime minister since confederation. They were excluded. It was the wise, young sharpies—though I cannot include the Minister of Supply and Services in that category. None-the-less, he was in that group.

The group met every Friday night in the boardroom of the Power Corporation in Montreal in the fall of 1967 and probably into 1968 seeking who they could get to become leader of the Liberal party. And who did they come up with, Mr. Speaker? The current Prime Minister. Jean-Luc Pépin, the former Minister of Industry, Trade and Commerce, as soon as the public found him out and defeated him, ended up on the board of directors of the Power Corporation of Canada. The Hudson Institute seeks a mechanism for grabbing the tar sands for whatever private interests with which they may be associated. Frenette has had connections in the Liberal cabinet, the Power Corporation of Canada and the Hudson Institute, so I am told.

● (1620)

Do you think, Mr. Speaker, that the Minister of Supply and Services conceived that speech all by himself? That is an impossibility. Someone wrote it for him, probably the same Claude Frenette. The Prime Minister stands up in this House and gives his sanction to the Minister of Supply and Services to say whatever he likes, wherever he likes, about energy policy, and cuts the feet out from under the Minister of Energy, Mines and Resources. We had a meeting today between the premiers of the provinces, the Prime Minister and members of the cabinet about energy and oil. But where was the Minister of Energy, Mines and Resources at two o'clock? He was in his seat in this House when he should have been at the conference. Where was the Minister of Supply and Services? We do not know, but he was not here. Perhaps he was at that meeting.

When Claude Frenette won the presidency of the Liberal party in the province of Quebec prior to 1968, defeating whoever it was who ran against him, the Prime Minister is alleged to have rushed into the room, thrown his arms around Claude Frenette and said: "We beat the bastards; now we can get something done". That is a quotation; I do not know whether or not it is accurate. Peter Newman in his book "Distemper of our Times" says it is true; and if hon. members want the page reference, it is page 449.

My friend over here, whoever he is, keeps chatting away. I should like to present my remarks in some sort of sequence, but if he would like, at the conclusion of what I have to say, to ask me some questions and give me the opportunity to clear up some doubts in his mind, I will do my best to do that. Interjections from some distance are very hard to pick up, but I am sure my hon. friend will accept my apology when I tell him directly that I am not able to respond to everything that he has been muttering about up to now because I have not heard all that he has said.

That type of activity which I have just outlined, in which there is an undercurrent of activity to give domination and control over the tar sands to the person who can make the quickest buck out of it, is a conspiracy against the people of this land which this bill does not seek to deal with or handle. It is a conspiracy to sell out our resources and to deny completely any environmental protection. It is a pay-off for political support and is designed to seduce Canadians to do all those terrible and deleterious things that can be done when the gleam of gold overrides the sense of democracy.

In the moment or two I have left, Mr. Speaker, I should like to talk about how ineffective is the bill in regard to another aspect of the way in which the Canadian public have been gouged and stolen from every time they go into a grocery store, a chain store or food market. I want to refer to the profit position of food processors in this land. If there is thievery that has taken place, it has certainly taken place here. I am not talking now about the supermarket chains like Loblaws, IGA, Safeways out west or any of the others; I am talking about the food processor, the company that runs the raw material through a manufacturing or processing plant and delivers a packaged, canned, or encased product of some kind.

Let me very quickly recount the percentage profit increase of these companies in the year 1973 compared with 1972. J. M. Schneider increased its profits in that one year by 35 per cent. H. J. Heinz was a poor outfit, with only a 14 per cent increase; Dominion Dairies, probably one of the groups we have been subsidizing through the milk subsidy program, 32 per cent; Canada Packers, 36 per cent; Canadian Canners, 33 per cent; George Weston—you cannot buy a biscuit in Canada that George has not had a finger in—86 per cent; Burns Foods, 28 per cent; B.C. Sugar Refinery, 50 per cent; Maple Leaf Mills, another food processor to whom we have been paying a subsidy for

flour, 150 per cent increase in profit; Silverwood Industries, 83 per cent.

Taking the 12 companies sampled in this *Financial Post* survey, the average increase in profits has been 59.6 per cent. No provision whatsoever is made, either in the Combines Investigation Act or by the Food Prices Review Board structure, or through any section of the minister's department, to protect the consuming public against that situation. Then, on top of all that—and this comes home to roost for both Liberals and Conservatives—these companies were the beneficiaries of the reduction in the corporation tax from 47 per cent to 40 per cent. Then, as an added bonus, consider this. Did these companies increase the number of their employees? Not from any look at the statistics. Did they build new plants? Not that anybody can find out. They stuck these profits in their pockets, a gift from the Canadian taxpayer. Not only did we give George Weston an 86 per cent increase in profits, but we said things were so bad that we would cut the percentage of income tax they would pay on top of that.

What this means also is that to the extent that these food processors are foreign-owned and pay dividends on their profits to their parent company outside the land, they are taking the money of Canadian taxpayers, as a result of the reduction to 40 per cent in the corporation tax rate, and stacking it into dividends that they pay. We the taxpayers of Canada are giving our hard earned tax money in the form of dividends to multinational corporations headquartered elsewhere. I say that is a shame and a disgrace.

The Minister of Consumer and Corporate Affairs (Mr. Gray) has now come into this House with a bill that has had a long period of pregnancy and is insipid, ineffective, and will become meaningless within a matter of just a few months. If there are good features in it in terms of preserving the position of the general public without further encroachment upon their pocket books, its provisions have been so well publicized that corporations have now found ways of getting around them. As for those who have not, they will continue the policy started by Mr. Henry when he was director of research and investigation of holding meetings with the director to ascertain how far they can go in instituting their policies and still stay within the law. I hope when the committee gets this bill it will be able to straighten it out because it is really not of much value the way it stands now.

● (1630)

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I welcome in principle the amendments introduced to the Combines Investigation Act presently before this House, and in particular the fact that there appears to be some priority given to consumer protection aspects of a competition policy, an area which has in the past been the subject of our party's attack upon this government.

No doubt members will welcome the opportunity to discuss the many areas encompassed by these proposed amendments, inasmuch as there are many questions which still remain unanswered and many areas of this bill which must be enlarged upon, particularly proposed Section 32.3 which would bring amateur and professional sports under the jurisdiction of the Combines Investigation Act for the first time. I welcome the principle of protection in some semblance to athletes and teams as well, something that has for too long been lacking in this country. However, the proposed legislation, particularly in this part, represents only a start on what can and should be a comprehensive undertaking, not just a superficial scratching of the surface.

[Mr. Howard.]

What is of prime concern to me is the overpowering slanting of this bill, not toward the amateur who is really most in need of these kinds of guidelines, but toward the already established professional who has attained stability and financial security in the marketplace of athletes, and the teams themselves who have at their disposal vast legal and monetary resources. What is of prime concern to me, and should be of prime concern, to every member of this House is that the youth of this country be afforded every conceivable opportunity not only to participate in sports and become physically as well as mentally proficient, but be afforded as well the opportunity to participate in Canadian professional sports without taking a back seat to United States superiority in Canada. At the same time, they should be protected in their choice of team and league.

At the present time in our own Canadian Football League almost 50 per cent of every team is composed of United States players, not to mention the over 75 per cent United States content as far as staff and coaching is concerned. Allow me to quote from today's Toronto *Daily Star*, from a column by the sports editor of that paper, Jim Proudfoot:

> Next time there's a coaching or managerial vacancy, hire a Canuck. Edmonton Eskimos haven't done badly with a Canadian general manager, you know. And lots of Canadian coaches could do the job in the CFL if they just cultivate southern accents.
>
> The myth about Canadian inferiority has been kept alive by coaches mostly, who'd sooner bring in a ready-made halfback from Georgia Abnormal than tutor a talented kid from Wilfred Laurier.
>
> Canadians who got the opportunity have always been capable of stardom at the highest level; Tony Gabriel, Jim Corrigall, Tom Forzani, Bill Baker and Lorne Richardson were all-stars last fall in positions usually occupied by immigrants.
>
> If Mr. Lalonde hasn't extracted a pledge along the above lines, he's simply wasting his time with this whole exercise—simply deciding which American players Canadians can watch.

I agree 100 per cent with that sentiment. It is a strange paradox that, on the one hand, we have the government submitting a bill which it alleges will stimulate competition and, on the other hand, we have the same government threatening to introduce a bill to prevent competition. Of course, I am referring to the contradictions between the bill before us, submitted by the Minister of Consumer and Corporate Affairs (Mr. Gray), and the widely publicized recent statements by the Minister of National Health and Welfare (Mr. Lalonde), in which he emphatically and repeatedly says that his government will do everything in its power to keep the Toronto Northmen of the newly formed World Football League out of Canada in order to protect the Canadian Football League. What could be more contradictory? How can a government possibly introduce two such conflicting philosophies? Has this government forgotten that this country was built on free enterprise, and has this government forgotten that this country was built on competition? Why did the Minister of National Health and Welfare then pick this particular

time to frustrate the efforts of the Northern to establish their franchise in the city of Toronto, a city that is more than willing and capable of supporting two major league football teams? This is obvious in view of the fact that the Argonauts have sold all their tickets for all post season and pre-season games, as well as league games, and that the Toronto Northmen have already to this date, without any advertising whatsoever, sold over 3,000 season tickets to their games.

Since when does any government or any agency in this country have the right to dictate to the people of Canada what they can or what they cannot see in professional sports? This is purely censorship of the highest order. What would be the reaction of the people if the government arbitrarily decided that, in the best interests of Canadians, the Canadian Broadcasting Corporation would no longer be permitted to carry National Football League games from the United States which are in direct competition with the CFL schedule? What would be the reaction of Canadians if the United States did not allow our athletes, or for that matter writers, entertainers and other professionals into the United States?

An hon. Member: Oh, come on.

Mr. Jelinek: Mr. Speaker, I hear some of the smart-aleck Liberals over there jeering at this statement, but I know from experience in my younger days, before I became overweight and started showing bald spots, and before I got into business and politics, when my sister and I were world champions representing Canada. We were allowed to go into the United States, although the United States had many world champions of its own.

An hon. Member: You were much better on the ice.

Mr. Jelinek: I suggest that the real reason for this move by the minister is to establish a precedent in order to prevent the much talked about possibility of the National Football League expanding into the new olympic stadium in Montreal, which would in all likelihood seriously affect the financial stability of the Montreal Alouettes, and thus endanger the entire makeup of the Canadian Football League. The reasoning behind this statement, of course, is that unfortunately the Alouettes have not been getting the response from the public they deserve. I certainly share the minister's concern if this in fact is the case, or in fact if the World Football League itself posed such a threat.

The same holds true for the cities of the western conference. However, this is not the case in respect of the Toronto franchise. I would be the last person wishing to see the demise of the Canadian Football League in any way whatsoever. On the contrary, it would be my wish to see greater opportunity afforded to the youth of this country by encouraging greater Canadian participation in the CFL. In fact, if the Minister of National Health and Welfare were truly concerned about Canadianization of sport in this country, he would take the suggestion I have made in this House and substantially increase Canadian content, not only in the Canadian Football League but in professional sport in this country in general.

In any event, the terms of the offer submitted by the Toronto Northmen organization to both the Canadian Football League and the federal government make it obvious that the CFL will not be endangered by the establishment of this one World Football League team, and I submit that the minister has obviously not even seriously considered the offer to safeguard the Canadian Football League.

Let us examine briefly the submission offered in writing to the minister by the Toronto Northmen Football Team Incorporated, which states in part:

> The Minister of Health has stated that the Government of Canada is prepared to legislate so as to prevent the affiliation of any Canadian football team with any U.S. league and thereby frustrate the lawful action of Toronto Northmen Football Team Inc. in bringing a World Football League Franchise to Toronto for the following reasons:
>
> 1. The Toronto Argonauts would have competition in the Toronto market and the amount of revenue they receive might therefore be reduced. If this revenue is reduced then the amount the Argonauts pay to the Canadian Football League by way of "equalisation payments" would be reduced and the balance of the Canadian Football League would suffer.

● (1640)

> The minister has even gone so far as to suggest that the result would be the destruction of the Canadian football League.

This is the Northmen's reply in writing to both the Canadian Football League and the federal government:

> We agree that the introduction of a new team in Toronto will provide competition for the Argonauts. We believe that competition is healthy, and that there is ample room in Toronto for two football teams operating in different professional football leagues. The brand of football each team has to offer would be different, and the style of football played would also not be the same. We would fully expect that the fans in Toronto would continue to support the Argonauts in the same excellent fashion as they have done in the past. The minister himself subsequently stated to us that the introduction of this one team would not destroy the CFL and Mr. Gaudaur has made a similar statement.
>
> However, in the event that we are wrong in our assessment we are prepared to guarantee to the Canadian Football League that the Argonaut 'equalization payments' for the next ten years, will be no less than the payment made in the year 1973, a year when the Argonauts sold out their stadium for every pre-season and regular season game. We are prepared that this guarantee take whatever reasonable form the government and the Canadian Football League require. This guarantee, which we believe is unnecessary, should nonetheless quiet the government's fears that the 'equalization payments' be reduced.

Now, Mr. Speaker, does this jeopardize in any way the financial stability of the CFL? Certainly not. Every member of this House would agree with that because once these guarantees are implemented the Canadian Football League will not be hurt by the franchise proposed for Toronto.

Then, we have the minister's second objection:

> The World Football League could come into Montreal and Vancouver and worsen the financial positions of the Montreal and Vancouver teams thus threatening the structure of the entire Canadian Football League.

This is the written reply of the Northmen to this objection:

> The Northmen have all of the Dominion of Canada as part of their territory. The Northmen are prepared to assign these rights to the Canadian Football League, its individual teams or indeed to the Government of Canada. In this fashion the Canadian Football League and the Government of Canada can ensure that no other World Football League team would be established in Canada without the approval of the Canadian Football League.

Mr. Speaker, quite obviously the Northmen are giving assurance to the Canadian Football League and to the federal government that it will be at the option of the

Canadian Football League whether there is to be further expansion of the World Football League in Canada. Given the fact that the people of Toronto will support two football teams and want two different professional teams, I suggest that the federal government stay out of the matter because it is not even involved. This will not hurt either the Canadian Football league or the athletes of this country. I cannot understand why, all of a sudden, the Minister of National Health and Welfare should come up with this kind of ridiculous statement in respect of professional football in Canada in this one matter.

This is the minister's third concern:

The National Football League and perhaps even other leagues might introduce franchises into Canadian markets and thus weaken the position of the Canadian football league.

This is the reply of the Northmen:

It is true that other leagues might introduce franchises into Canadian markets. We believe that the Canadian fans should determine what football they wish to watch. However, in the event that the government is determined to limit the choice of Canadian fans, the government if it has legislative authority, could introduce legislation to prohibit these other leagues from entering Canada. In light of the guarantees we are prepared to give as stated, there would clearly be no need to make that legislation retroactive to include the Northmen.

We wish to make it clear that we do not recommend the introduction of this legislation. We feel that the Canadian football fan is the one who should make the choice as to what brand and type of football he wishes to watch. However, if the government is determined in its course, there would now appear to be no need to make the legislation retroactive by including the Northmen within the scope of that legislation, particularly since the Northmen started in business and expended large sums of money long before there was any announced government policy on the matter.

Mr. Speaker, it is obvious that the minister's arguments simply do not stand up in light of these guarantees. Even the Commissioner of the CFL has been quoted publicly as admitting that the Canadian Football League can readily survive the introduction of the WFL in Toronto. Under the proposed section 32.3(b) of the Combines Investigation Act, the first charge under this section should be laid against the federal government itself. Let me quote section 32.3(b):

Every one who conspires, combines, agrees or arranges with another person

(b) to limit unreasonably the opportunity for any other person to negotiate with and, if agreement is reached, to play for the team or club of his choice in a professional or amateur league

is guilty of an indictable offence and is liable on conviction to imprisonment for two years.

Not even I wish the Minister of National Health and Welfare to be imprisoned for two years. Where for example, does this leave the federal government with regard to a player who has signed with the WFL, at this time a legal entity, and where does it leave a player who is subsequently unreasonably denied playing for the team or his choice. I wish the minister were in the House now. Perhaps he could answer that question but I doubt it because he answers very few.

Once again, what could be more ludicrous than the government itself being charged under the very bill it introduced? If the government is to be involved in professional sports, as seems to be the direction it is taking under this proposed legislation, this should be all-encompassing legislation and not merely a band-aid, patchwork approach such as this section of the bill is taking. I will do everything in my power to ensure, if the minister brings in legislation to try to stop the World Football League moving into Toronto, that the bill is defeated. I will try to get my colleagues and any other sensible members of this House to vote against such a ridiculous proposition. Somewhere along the line, what should have been the main objective of this type of legislation has been sidetracked. As I have repeatedly emphasized, it is the youth of this country who must be our primary concern.

[Mr. Jelinek.]

Apparently this section of the bill is aimed primarily at hockey, Canada's number one participation sport. But the record will show that the NHL has been a responsible organization contributing to the growth of amateur hockey in Canada. For example, financially the league has contributed to the development of hockey in Canada, from both United States and Canadian teams, over $1 million per year. This is based on payments to the CAHA of $10,000 per player if he plays in the NHL after he is drafted, $7,000 per player if he plays in one of the NHL farm clubs after he is drafted, and $3,000 if the player does not make the NHL or the minor league although he has been drafted by the league. Above and beyond this, the NHL pays a lump sum of several hundred thousand dollars to the CAHA, all of which is divised between the CAHA and the Canadian club responsible for the development of the individual players.

I mention this because the new hockey league, the WHA, which has entered Canada from the United States without any federal intervention whatsoever, provides no such benefits to Canadian youth. I wonder where the minister and other members of the government were when the World Hockey Association moved into Canada? Where was the minister when this new league started taking over the players who played for the NHL, a league which subsidizes amateur athletes. Not only that, but the WHA has bypassed the long established draft rules in the NHL by signing players under 20 years of age and thus jeopardizing not only amateur junior hockey in Canada, but also adversely affecting the one organization that has made a significant contribution to amateur hockey in this country. This statement, of course, removes any doubt that my interest centres around. John Bassett Jr. rather than sports in general.

● (1650)

Where was the federal government when the world hockey association entered the Canadian sports scene? Where was the concern for the advancement of opportunities for the youth of this country? Why did the government fail to provide safeguards and encouragement to the Canadian Amateur Hockey Association, and why are there no proposed changes by this government relating to hockey? Why has football been singled out as a target of intervention? Would it not be reasonable to expect the government to take a firm stand on the protection of this sport long before the world football league was even contemplated? Certainly, safeguards are needed there to keep our amateur junior teams viable.

While we are on this subject of the protection of other sports, may I ask whether the government should not consider obtaining revenue for amateur development from foreign organizations such as professional ice shows—and I am speaking specifically about American ice shows—

which continue to drain off all our top talents without contributing to the Canadian amateur organizations which have invested their time and money in developing these athletes. I would now suggest that the Minister of Consumer and Corporate Affairs (Mr. Gray) and the Minister of National Health and Welfare get together to decide which of their two diametrically opposing views are in fact party policy.

In closing, may I state that I will support this bill in principle for passage to the committee stage, but I can assure members of the House that I will insist in committee on having the presently ambiguous sections enlarged in such a way as to ensure that the competition act truly means fair competition and provides an opportunity for Canadian youth to continue the development of amateur sport in this country.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I welcome the introduction of this bill for second reading with a certain lack of enthusiasm. In fact, what this bill really does is to allow my friends on the right and my friends across the chamber to continue to indulge in the myth-making process that in fact we live in a free enterprise system. They will put on a little lipstick, comb their hair and say: the system is just a little out of joint now, so what we can do is to bring in a competition act and then we will have prices set by competition. I challenge any member of either the Tory or the Liberal party to find me a reputable economist who will say that prices in North America, and particularly Canada, are set by competition. In fact, prices have long been set in this country by administration. This is the term used by Galbraith. They are administered prices.

I welcome this cosmetic piece of legislation because in some areas there may be some abuses we can catch. But in fact most of the prices of the major products in this country are set by administration, either through government regulation or on the 18th hole of the golf course. Those are the facts of life and there is no way in which we can avoid them. So it is a wonderful theory that both the government and the Official Opposition operate under, but it does not bear any economic examination or evaluation.

I must say that in terms of what the minister is trying to accomplish with the bill, some of these provisions are good. I certainly welcome the effort in regard to controlling referred selling, bait and switch procedures, double ticketing, and selling above the advertised price. These are all provisions that can help the market cosmetically, but they will not help in a major way because, as I said, most of the major prices in this country are set either by government regulation or by administration. What we really need is a minister with will, energy, courage and determination to make the bill effective because, after all, we have had the Combines Investigation Act for some time.

Perhaps we should examine the record under the old legislation. The old act has long provided, for example, for jail terms of a maximum of two years for certain offences. How many people in this chamber can recall anyone who has ever gone to jail as a result of a conviction under the Combines Investigation Act? I cannot recall a single incident, and yet the board of directors of the General Electric Company in the United States some years ago faced a jail term. Why have we not had jail terms imposed in this country? Is the offence of conspiring to raise the price of a major product to any consumer in the market place any less serious than a first offence of breaking and entering, which sometimes carries with it a jail term, or a second offence for possession of marijuana? At one time we were jailing people for six months for a first offence for possession of marijuana.

We have a Restrictive Trade Practices Commission on which the minister has seen fit to have only one member, a person we can only call an acting chairman, not a full time chairman. On the basis of the old legislation, in 1970 and 1971 that branch only used 41 per cent of its budget. In 1971-72, it used 61 per cent of its budget, and in 1972-73 again it only used 61 per cent of the budget. That does not indicate to me that the government is really interested in controlling monopoly pricing or in truly attacking this problem. What we need is not just more legislation along this line. We need a minister and a government with the will, energy and dedication to make this competition legislation work, at least to the limited extent that it can.

Now, I should like to come back to the major theme of my remarks. The legislation can only work to a limited extent in the kind of economy in which we exist. Certainly, I welcome the clause dealing with the imposition of a foreign law on Canadian firms. I think this is something that has been long overdue, and it is particularly apropos in terms of the recent MLW Worthington case. But I have to point out that the only time such cases really come to our attention is when somebody on a board of directors decides: "To hell with this; I will blow the whistle". That is usually when we find out about it.

What I ask is: how many companies in this country which are dominated or are subsidiaries of foreign corporations have, in fact, refused to bid in foreign markets such as Cuba, or any other countries that are on the U.S. enemies list? There could be many indeed. This legislation will not solve that problem. The only way we will solve that kind of problem is to repatriate the economy, but that will be a long and tough struggle. We must promulgate the foreign takeover review legislation. Mr. Speaker, I have a list in front of me of 13 foreign takeovers that have taken place in the major industrial sectors since that legislation was passed by the House and received Royal Assent. If the Minister of Industry, Trade and Commerce (Mr. Gillespie) wishes to solve one of the problems that this bill seeks to solve, namely, the imposition of foreign law upon the Canadian economy which prevents us from dealing with certain nations, then let him promulgate the foreign takeover legislation and publish the guidelines. Ultimately, that is the only way in which we can tackle the problem.

● (1700)

As I say, the provision in this bill which attempts to deal with the imposition of foreign law on the Canadian economy is merely cosmetic. With the major part of our economy foreign owned, it is obvious that many foreign-controlled corporations are not seeking markets in certain other countries. I am convinced that many opportunities could be found in the Chinese market if our corporations made the effort. I am interested in the amendment which purports to provide a right of action to individuals who suffer as the result of conspiracy. This is in proposed new

section 31.1. I welcome this, but again it is a minor relief. Again, it is a very cosmetic thing.

If consumers suffer from a conspiracy to fix bread prices, no one individual will start an action for the one cent a loaf that the conspiracy may have cost him over the previous five years. The sum involved would not amount to enough to get the case into the small debts court. What has long been needed in Canada has been provision for class actions so that an entire class of people who suffer as the result of conspiracy can take action, and an award made, based on the loss suffered by the entire class. Under the proposal in this bill the public injury cannot be fairly compensated.

Let me give an example of the type of class action that can work. A major cab company in Los Angeles had illegally raised its meter rates over a long period of time. As a result a class action was developed by a firm of lawyers and some other consumers of the taxi service. The defence raised by the taxi company was that the loss was impossible to determine, and thus there was no way for the court to make an award. The presiding judge ruled that the company must turn back its meters, not only to the legal rate but to a rate below that for a period equal to the time during which the conspiracy had taken place.

An hon. Member: What happened to the drivers?

Mr. Leggatt: The drivers did fine. The company was the one which was making the money. It is this kind of provision that I hope the minister will consider but, as I say, I do not see it in the bill. How many people are going to take action under proposed section 31.1 on an individual basis, where the actual individual loss is a matter of pennies but where the public loss is in millions of dollars? The only way to deal with such a situation is to make provision for a class action, so that a company which pulls these shennanigans will know it will be faced not only with a major fine but with paying compensation for the loss suffered by the public.

From time to time we tend to be quite critical of the Minister of State for Urban Affairs (Mr. Basford), but I believe the investigation into the cement company scandal in British Columbia started when he was minister of consumer and corporate affairs. It was discovered that a conspiracy on the part of the major suppliers of cement in British Columbia had existed over an 11 year period. These companies controlled about 90 per cent of the market. The companies were fined about $430,000, which will probably mean a slight change in the dividend paid out of profits. But the interesting thing was that no hard evidence was produced in court to determine the economic loss suffered as a result of that 11 year conspiracy. We do not know whether this loss was nil, whether it was major, or whether it was minor. I contend that in this kind of legislation we must be sophisticated enough to come up with answers to that.

The public want to know how much this cement conspiracy cost it over those 11 years. Until then it will not know how just was the fine. I point out that the law also provides for two year jail terms, and it is time some sentences were imposed, particularly when evidence is produced that the public interest was severely affected. I repeat that no economic evidence was introduced in court with respect to that conspiracy. The public really does not know by how much house building costs were increased as a result of that conspiracy.

There is only one reason for these conspiracies, to increase the price, or to keep it artificially high. I think we can sum up this legislation as a wonderful approach to tinkering around with the market, but in the long run we must be pessimistic about the subject. The ease with which prices can be set is quite remarkable, and beyond the minister's capacity to investigate in most cases. This is not a criticism of the minister. It is just that price fixing is so easily done while walking aroung a golf course, particularly when those involved control 90 per cent of the market. If those involved in the conspiracy refuse to supply one of their competitors with a major component for the product he manufactures, this pretty well means that he has to engage in the conspiracy himself, or else go out of business. I welcome the provision inserted in the bill to deal with this situation as an improvement on the law as it presently exists.

In conclusion, I say this is a wonderful job of cosmetology, which will allow my hon. friends to my right and across the chamber to continue to indulge in their myth about free enterprise. I am, in a way, glad they have taken this opportunity at myth-making to support again what is really an untenable economic position.

Mr. Paul E. McRae (Fort William): Mr. Speaker, my remarks today will be rather short. I would like to support this bill, not as a complete answer but as one of two steps which will help solve many of the problems affecting business in Canada. There is a great myth in the business community, a myth which runs through groups like chambers of commerce and others. The myth is that all members of the business community are as one; that the only difference between the small clothing retailer and General Motors is one of volume and that they are "all in it together". This myth must be examined very carefully for its implications in regard to this particular bill.

● (1710)

I was rather interested in a concept advanced by Galbraith in his last book called "Economics." He divides the business part of the economy into two segments, the planning economy and the market economy, and tries to explode the myth that all businesses are exactly the same except for volume. He talks about the planning economy as that portion of the economy which has real power—the multinational corporations, the larger corporations. These have the power to set prices within a certain range and to pass on the costs they incur. They have the power to accept substantial wage and salary increases and to pass these on. He describes this planning sector of the economy as being basically growth oriented.

I agree that the motive for the operation of a large portion of our economy and of government, is growth, not maximizing profits. In many large corporations, the shareholder or owner is quite separate from the people who operate the business. In such organizations growth is a far greater factor than is maximizing profits; profits are plowed back into growth and the only concern is a reasonable return to the shareholder who has very little control of the operation of the business.

Galbraith also indicates that because of the ability to control the market, and that is almost to create the market because of mass advertising and other things, companies in the planning sector are able to create continuing demand. Their ability to pass on increases in price through increasing costs and wages et cetera, means that this particular segment of the business community tends to be inflationary. Again it is that ability to increase the demand and pass on costs that creates inflation.

Another point that I should make about the planning sector of the economy is that a great deal of its growth is created by plowing back into the company the profit or revenue it has achieved. This means that corporations in the planning sector are not subject to the kind of monetary policies that governments use to limit inflation. In other words, 12 per cent, 13 per cent or 14 per cent interest rates are not particularly important to this section because they are able to generate their own capital. So this group is relatively immune to the vicissitudes that affect the smaller businesses in what Galbraith calls the market economy.

It is my feeling that we should be looking at the kind of competition bill that would tend to keep this segment of the economy, as Galbraith calls it, the planning economy, under control. On the other hand, the market economy—that is, the smaller people who are unable to control any large segment of the economy and who are fairly elastic in their operations—is not the section of the economy that is inflationary. Here is where market force comes into play. If smaller industries or businesses are not able to stay away from undue price increases, competition will put them out of business and so we have market forces operating in this segment of the economy. I think this distinction between the market economy and the planning economy is an important one and the bill begins to attack this distinction. Whether this is a conscious attack or whether it is done for other reasons, the fact is, it is there.

I should like to deal with one or two aspects of the bill that affect those companies that I have defined as being in the planning sector—the large corporations, the multinational corporations. These are the corporations where mergers, restrictions in trade and this kind of thing are more likely. I think there are definite areas where this bill has some notable effects and where the future bill will have even more effects. The future bill should be designed to have a great deal of effect in this particular sector. In the bill, there are items like refusing to deal, providing adequate supplies to certain individuals to force them out, consignment selling, market restriction—these kinds of things which are very pertinent to this more powerful section of the economy. The item in the bill which deals with foreign laws which are contrary to Canadian interests is one that has a great deal of effect on the larger corporations, particularly the multinational corporations.

There has been some criticism of the limitations of this act, some question of how we are to find out, for instance, if the government of Cuba or China is not able to purchase a particular piece of material, as in the case of Cuba and the MLW-Worthington company and the 20 locomotives. The criticism of the bill was that there was no way the government could find out what was happening. It seems to me that if the government of Cuba were particularly interested in making the purchase, all it would have to do would be quietly say to our Department of External Affairs that they needed help with the problem. I do not think this is a very great handicap under this act.

These are some of the things that are beginning to be examined in this act, Mr. Speaker. I hope that the second section will deal far more with this planning segment of the economy and its power. As to the market segment, I think the bill is positive when it attempts to remove from that section of our economy the involving smaller businessmen, the kind of leech or individual who is constantly involved in sharp practices. By reducing sharp practice we shall, in the long run, enable the small business community to acquire a better name.

● (1720)

Practices like bid rigging are also considered. As you will recall, Mr. Speaker, some senior executives of General Electric in the United States were jailed a few years ago because it was alleged they engaged in such activities. Such practices will be dealt with under this bill. They affect the market economy as well as the planning economy.

Professional sport, in the sense that it is a business, also comes under the scope of the act. As well, double ticketing is brought under the act. The enforcement procedures under the act will make it possible for us to deal with such things. That, I think is desirable.

I said that I would only say a few words on the bill. I think the second legislative phase would be most important. The minister indicated certain important areas which would be dealt with in the second phase. He suggested that the government would develop legislation bringing forward additional criteria and methods against which we can judge mergers and amalgamations which, while restricting competition, may or may not be in the interest of the public. In other words, the government will examine the question of mergers.

While considering second phase legislation I think the minister should consider the matter of administrated pricing, and the idea of a company being able to pass prices on because there are no market forces which will counter the increased price. I think these are some of the things which we must be aware of and look at as we develop legislation in this field, with the idea of strengthening the market economy while controlling the planning economy.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I want to begin my contribution to this debate by examining the theory of competition and monopoly. The orthodox theory has been the standard fare in the universities for over 40 years. It permeates the thinking of the government and of many members variously situated in this House. It is the basis of much badly conceived legislation aimed at monopolies.

I wish to argue that the great virtue of Canadian anti-monopoly legislation over the years has been that, compared with the American system, it has done relatively little harm, direct harm, even though it has done the Canadian people no real good. Indirectly, however, Canadian anti-monopoly laws have done considerable harm by misdirecting public attention away from the very

serious problem of monopoly in this country, that is to say, monopolies created by government. By spreading the false impression that businessmen can create monopolies for themselves without the assistance of the state, our anti-monopoly laws have tended to shield the state-created monopolies from public attention. These are the very monopolies which have done serious harm to the Canadian people and continue to do so. I want to explain how this bill would worsen, not improve our situation; finally, I want to say a little about the ways in which the federal government could be helpful to the Canadian people in this area of policy.

The orthodox theory of competition and monopoly has been the conventional wisdom of several decades. Adam Smith has been blamed for inventing it, although I am not sure that a careful reading of his work would support that accusation. The orthodox theory is basically a rather simple nose counting theory of competition. Under the orthodox theory we arbitrarily define first what constitutes an industry; then we count the number of businesses which fall within our arbitrarily defined boundaries. If there is only one, the industry is a monopoly; if there are several, it is an oligopoly, if there are many, it is a nearly purely competitive industry. The orthodox theory includes academically interesting models of the results, in equilibrium, of each of these three forms. Of course, equilibrium, a state of no further change, of no further competition, never occurs in the real world; so, the value in the real world of theories based on premises which are contrary to fact is indeed questionable. In spite of the inapplicability of that theory to the everyday world, the government supports legislation the effect of which is an attempt to force the real world to fit the theory.

This brings two undesirable effects. First, the operation of genuinely competitive markets in the real world is impaired; secondly, nothing is done about real monopolies.

At this point let me say something about an alternative theory of competition and monopoly, a theory which accurately describes the real world. After all, the purpose of theory is to help us to understand reality, not to indulge in idle dreaming about how we would like the world to be. When we see a theory which does not accurately describe the real world, we should not say something like, "That's nice in theory but it does not work in practice." My point is that if it does not work in practice, it is not nice in theory. It is a bad theory and we need a new one.

Some progressive economists of today, among them Rothbard, Kirzner and Armentano, are hard at work replacing the orthodox theory with a useful theory, which accurately describes reality. In contrast to the orthodox theory's preoccupation with the unrealistic state of equilibrium, in which all change, all competition, has ceased, Kirzner, in his 1973 book "Competition and Entrepreneurship" sees price theory

> ... in a way that is not related in any essential manner to the state of affairs at equilibrium. The efficiency of the price system, in this approach, does not depend upon the optimality (or absence of it) of the resource allocation pattern at equilibrium; rather, it depends on the degree of success with which market forces can be relied upon to generate spontaneous corrections in the allocation patterns prevailing at times of disequilibrium.

Times of disequilibrium are, of course, all the time. Later Kirzner continues:

[Mr. Clarke (Vancouver Quadra).]

> The fact that at any given moment only one producer is making a particular product is not by itself an impairment of the competitive process. It may simply mean that at this moment only one entrepreneur had taken the step of presenting this particular opportunity to the market. If the step was a wise one, it will tend to attract others to do even better in this regard. If it proves to have been a mistake this entrepreneur himself will be under market pressure to abandon this line of production.

If, in contrast to the orthodox theory, a single producer of a product is not necessarily a monopolist, what makes a monopolist? Kirzner answers that "the crucial question concerns freedom of entry". We are reminded of what Lord Coke wrote over 300 years ago: "Monopoly is a grant of special privilege by the state, reserving a certain area of production to one particular individual or group."

In a speech in this House last April 17, I explained in detail that the concept of monopoly has nothing to do with the number of firms operating within an industry. It has to do with whether or not the government is restricting competition. For example, there are 363 licensed taxi cabs in the city of Vancouver. The supporters of the nose counting theory of competition and monopoly would no doubt say that the taxi cab business in Vancouver is nearly purely competitive. But they would be wrong. The Vancouver government restricts the supply of taxi cab licenses, so that consumers must pay monopoly prices for taxi cab services, monopoly prices so high that the market value of a taxi cab license is now over $30,000. A great deal of what I said in that speech during the food prices debate is relevant to the present debate.

● (1730)

About the nose counting theory, that I have been criticizing, Armentano wrote in his 1972 book "The Myths of Anti-Trust":

> "... the market structure described as being purely competitive and optimal must certainly appear strange to anyone acquainted with flesh and blood consumers or business organizations. In the real-world marketplace, business competition appears to be almost opposite to [that theory's] economic pure competition.

In his 1966 book, "Insider Trading and the Stock Market" Henry Manne quotes the Austrian economist Schumpeter as follows:

> In capitalist reality as distinguished from its textbook picture, it is not (price) competition which counts but the competition from the new commodity, the new technology, the new source of supply, the new type of organization (the largest-scale unit of control for instance)—competition which commands a decisive cost or quality advantage and which strikes not at the margins of the profits and the outputs of the existing firms but at their foundations and their very lives. This kind of competition is as much more effective than the other as a bombardment is in camparison with forcing a door, and so much more important that it becomes a matter of comparative indifference whether competition in the ordinary sense functions more or less promptly; the powerful lever that in the long run expands output and brings down prices is in any case made of other stuff.

He continues:

> It is hardly necessary to point out that competition of the kind we now have in mind acts not only when in being but also when it is merely an ever-present threat. It disciplines before it attacks. The businessman feels himself to be in a competitive situation even if he is alone in his field or if, though not alone, he holds a position such that investigating, government experts fail to see any effective competition between him and any other firms in the same or a neighbouring field and in consequence conclude that his talk, under examination, about his competitive sorrows is all make-believe. In many cases, though not

in all, this will in the long run enforce behaviour very similar to the perfectly competitive pattern.

Part of the nose counting theory of competition is the notion of oligopoly. Oligopoly occurs if, within the boundaries of one arbitrarily defined industry only a few noses, fewer than about a dozen, I understand are counted. Of course, it is always possible to define an industry sufficiently narrowly as to ensure that nose counting yields oligopoly. For example, let us consider the market for all beverages, then for all wines, all white wines, all Sauternes, and, finally, all wine from the grapes grown from one particular hill. If we define the industry sufficiently narrowly we can find, from the standpoint of the orthodox nose counting theory, not only oligopoly but even monopoly wherever we want to look for it. The concept of oligopoly is nonsensical, and unfortunately it is confusing to many people. It completely misses the point that whether or not competition exists depends not on the number of noses counted but on whether or not the government is preventing entrepreneurs from competing. Businessmen themselves have no legal power to exclude competitors. Only government has that power.

One day I heard a story about a city in which four manufacturers were turning out a certain product. A fifth competitor entered and began production. According to the story, the four established firms, being wicked oligopolists, cut prices by 25 per cent and bankrupted the new firm. Then, they raised their prices to the previous level. This was supposed to prove that oligopolists can restrict entry to an industry. In fact, it proved nothing of the sort. It simply showed that the new competitor was pretty stupid to think he could add his production to what the others were already supplying to the market and not see a fall in price. He was ignorant of the laws of supply and demand, and he failed to weather the storm, having failed to supply his firm with adequate capital. Perhaps he deserved to go bankrupt, for his incompetence. In a free economy we say we are happy to see the efficient prosper. But then, we must also be happy to see the inefficient fail, and the sooner the better, so that the natural resources, labour, and capital controlled by the inefficient may be released for more productive use, by the efficient, to the general betterment of the people.

Advocates of the notion of oligopoly also tell stories about businessmen sitting around in their clubs, fixing prices and dividing markets. Perhaps some businessmen try to do just that, but is there any evidence that they are successful? I do not think so. Such agreements are not contractual. It is in the interest of each participant to secretly undercut his partners as soon as he is out of the door. And the evidence is that he does just that.

Again, I refer hon. members to Armentano's book, especially the parts dealing with the famous electrical equipment price-fixing conspiracy case, in which the conspiracies never worked, never succeeded in raising prices, because the conspirators undercut each other as soon as they had finished promising each other to fix prices.

On this subject, Hutt wrote in his 1973 book, "The Strike-Threat System":

> The truth seems to be that effective tacit collusion cannot be imagined as having more than a negligible effect. Collusive exploitation requires quotas, with sanctions for their enforcement; or else sufficiently attractive prospects of a certain share of the market will have to be assured for every voluntary participant. But can we conceive of any substitute for the quota or the prospective market share inducement under simple tacit abstention from competition? Just think of what we must postulate. The low-cost firms (probably the most efficient) must judge it to be profitable to sacrifice prospects of a growing share of the market and spontaneously protect the high-cost firms (probably the less efficient). While this is conceivable when the risk of misconceived anti-trust proceedings is the alternative, or under iron-clad cartel contracts, it is hardly conceivable in their absence. In general, the advantage to the low-cost entrepreneurs of passing on to consumers the economies of their relative efficiency will outweigh all other considerations.
>
> Experience seems to teach that the effectiveness of collusive restrictionism has required not only reliance on quotas but the ability to discipline participants; and a system of policing has often been felt to be essential for successful exploitation.

That is why the government had to equip the farm marketing board monopolies with strong policing power in order to maintain the monopolies; they could not have survived otherwise.

Some advocates of the theory of oligopoly produce great quantities of statistical evidence, including published price lists, to support their case. Everybody knows it is foolish to accept statistics as proof of anything, because statistics can be found to support practically any theory. A theory is right or wrong not on the basis of how many pounds of statistics can be accumulated for or against it but on the basis of its inherent logic or lack thereof. Anyway, it should be pointed out that statistics based on published price lists are no indication at all of the actual prices at which deals are made. Anyone who has ever bargained for a discount when buying a car knows that.

Perhaps what I have been saying appears to be quite new and radical to many hon. members. In the limited time available to me I have not been able to explain these new and radical ideas as fully as they are explained in the books I have mentioned, books I commend to all hon. members.

● (1740)

It seems that the government thinks highly of the American anti-trust system, especially the considerable arbitrary power in the hands of the Federal Trade Commission. It seems that this fondness for arbitrary power is the trademark of the present government. We have seen in the United States one result of the concentration of arbitrary power in a few hands—the Watergate affair. I do not want to see anything like that in Canada, but already we see arbitrary power in the hands of bureaucracies, such as the income tax department and now, thanks to this government and its Foreign Investment Review Act, in the hands of politicians.

It has been argued that anti-monopoly policy should be conducted not through the rule of law, the application of clearly written laws through the ordinary courts, but through the arbitrary power of a Restrictive Trade Practices Commission, a body very similar to the United States Federal Trade Commission. It is argued that the judges in the ordinary courts are not sufficiently expert in economics to be able to act as wisely as a commission of experts. This argument strikes at the very heart of what we have left of our liberty, the rule of law.

In his little book "The Road to Serfdom", Hayek writes:

> Nothing distinguishes more clearly conditions in a free country from those in a country under arbitrary government than the observance in the former of the great principles known as the Rule of Law. Stripped of all technicalities, this means that government in all its actions is bound by rules fixed and announced beforehand—rules which make it possible to foresee with fair certainty how the authority will use its coercive powers in given circumstances and to plan one's individual affairs on the basis of this knowledge.

More recently, a British statesman, our contemporary, the Right Honourable Enoch Powell, wrote:

> It is not only in this country that government shows an increasing tendency to try to regulate the nation's economic affairs not by law . . . [It] has an engaging appearance, but it conceals the germs of tyranny . . . On both sides of the Atlantic, for instance, we have recently seen government . . . behaviour . . . open to the gravest objections.
>
> First, if the citizen has a duty, he ought to be able to ascertain in precise terms what it is, so that he knows if he is fulfilling it or not . . .

He continues:

> Again, it is manifestly unfair not to place all concerned under the same degree of constraint . . . The main point, however, is that in a free society the citizen ought not to be constrained . . . except in accordance with the law and by due process of law. Certainty, generality, impartiality—these are the essential characteristics of the obligations which government can impose on its citizens wherever the rule of law prevails.

I fear that what I say about the rule of law falls on some deaf ears, ears that do not care to hear about the nationalization of our liberty, because those ears are connected to minds that were nationalized long ago.

I must vigorously oppose the plan to concentrate in the hands of a tribunal of experts legislative, executive and judicial power, all rolled into one arbitrary power. It is argued that a judge of an ordinary court is not able adequately to understand the anti-monopoly law. If he cannot, how can anyone expect a businessman or anyone else to understand a law that a judge supposedly cannot understand? What sort of law would that be? The answer is: no law at all, but arbitrary power.

Through this bill the government wants to give the Restrictive Trade Practices Commission the power to issue arbitrary, incomprehensible edicts to run every part of the economy that has not already fallen under some other type of government control. Even the *Globe and Mail* was moved this week to editorialize about the RTPC and its powers. It mentioned that the RTPC, for example, was to be enabled to make orders, that it was to be able to modify or prohibit certain trade practices, yet be independent of the government. The *Globe and Mail* mentioned the MLW-Worthington case and observed:

> It is possible that the government would have been very happy to have this case taken off its hands by a commission.

The editorial concludes:

> Governments should . . . not hide behind appointed bodies.

We have had examples of that. Just last year we found the government hiding behind the skirts of the Food Prices Review Board.

Mr. Atkey: What about the CTC?

Mr. Clarke (Vancouver Quadra): Yes. Questions have been raised about the rights that a person appearing before the RTPC would have, for example, whether the privilege of solicitor and client would be respected, and whether a person would have the right to cross-examine the RTPC's statisticians. But an even more important question arises: Would there be a right to cross-examine the RTPC's commissioners themselves about their theories of economics and other relevant matters? I am sure there would not be. Thus the whole concept of an impartial court is abandoned.

One of the great virtues of our ordinary courts is that the judges are not experts on engineering, or medicine, or economics. They are experts on one subject: the law. Because a judge is not an expert in economics, he can listen impartially to economists testifying as expert witnesses on both sides of a case. His attention to their testimony and his eventual decisions are not prejudiced by his own views on economics, because he has none. If a judge happens to be an economist as well, then he is qualified to appear as an expert witness, as an economist, and be cross-examined on his expert testimony. But then he should disqualify himself from presiding as a judge over a case in which his ideas as an economist, which would not be scrutinized under cross-examination, would affect the outcome. Let the experts appear as witnesses, but let the judges be impartial.

At present the RTPC is an advisory and investigatory body, a group of specialized policemen. Let them investigate, let them advise, let them bring charges in court in accordance with law; but do not let them usurp the powers that properly belong only to a court.

American anti-trust policy is a failure. It does not protect the market place from government interference. It often protects privileged competitors from the competition of more efficient competitors, and the consumers suffer. It makes a mockery of people's rights under the rule of law. Under the American anti-trust regime, if a man charges prices above his competitors', then there is evidence of monopoly power. If his prices are the same as his competitors', then there is evidence of price fixing. And if his prices are below his competitors', then there is evidence of predatory price cutting and intent to monopolize. Often this government reacts to imitate developments in the United States. I see no good reason to transplant American anti-trust policy into Canada.

Not every part of the bill before us is bad, but some of the parts would more properly appear in acts other than the Combines Investigation Act. Here I am thinking about the misleading advertising provisions, which probably should belong with the sections of the Criminal Code relating to fraud. Some clauses of the bill deal with refusal to supply, consignment selling, tied selling and resale price maintenance. None of these practices, if employed by businessmen, can create a monopoly because none of these practices has anything to do with having the power to stop a new competitor from manufacturing anything he chooses and from dealing with whomever chooses to deal with him. These clauses may well do a great deal of harm, by restricting people's ability to compete effectively.

Other problems may arise, too. If the federal government too effectively prohibits people from voluntarily agreeing to resale price maintenance by private contract, then we may see some groups of businessmen bringing political pressure to bear on provincial governments to compel resale price maintenance. I understand that some

states in the United States have done this under the name of fair trade laws. I do not want to see resale price maintenance made compulsory or prohibited. People should be free to make their own arrangements. At times resale price maintenance may be the only effective means by which a manufacturer can induce a dealer to provide a certain amount of sales service to customers interested in his product. Surely, to prohibit resale price maintenance is as unwise as to compel it.

This bill makes some minor changes in the laws applicable to banks. I agree with those hon. members who have argued that the banks should not receive special treatment. Bankers are subject to the Criminal Code just like everyone else. Why should they receive special exemption from the anti-monopoly laws?

● (1750)

However, even if the banks were subject to the Combines Investigation Act, their real monopoly power would remain unaffected. The banks' real monopoly power does not lie in any agreements that the bankers make among themselves, it lies in the government's restricting entry into the banking industry. This monopoly of credit should be repealed, and I will have more to say on that subject when the government introduces its Bill C-13.

I am pleased to see some agreement on this subject. On March 14 during this debate the hon. member for York-Simcoe (Mr. Stevens) said:

> I would say that any chartered bank in Canada can restrict or open up competition more than any other force that we might consider.

During the same debate, on March 13, the hon. member for Shefford (Mr. Rondeau) said:

> —the banks are the basis of the existing monopoly which controls the others. According to its whim, the monopoly of money and credit can create a monopoly of production or destroy it.

Perhaps the hon. member for Shefford is more conservative than he realizes; maybe he is sitting on the wrong side of the House.

Let us see what the government could do to help the consumer. The government could do many things to facilitate competition, namely remove all the restraints it has placed on competition.

In his speech during this debate on March 14 the hon. member for Waterloo-Cambridge (Mr. Saltsman) talked about the inefficient organization of the tariff-protected refrigerator industry in Canada, and he said:

> This is a clear example of where competition has worked to the tremendous detriment of our society and has contributed to a lower standard of living than we might have had.

In his reasoning, competition was blamed for the bad effects of tariffs. Very few students of even elementary economics would have made such a mistake. I would add parenthetically, though, that he partially redeemed himself a few minutes later when he said:

> —it is demand, and not the cost of production, which determines the price—

That is an insight that I tried very hard, though I fear unsuccessfully, to communicate to the hon. member for Toronto-Lakeshore (Mr. Grier) during the debate on March 15 on his motion calling for selective price controls. If the hon. member for Toronto-Lakeshore is deaf to me, perhaps he will listen to his colleague, the hon. member for Waterloo-Cambridge.

On previous occasions I have called on the government to repeal the Farm Marketing Board monopolies, but the government will not listen. With one hand the government creates monopolies and with the other it brings us so-called anti-combines legislation, in order to divert our attention from the monoplies it has created. What hypocrisy!

In an earlier speech I pointed out that whenever the government interferes, through marketing boards, so-called anti-combines laws, or whatever, with people's freedom to compete in a free market, it favours one group, inefficient producers, at the expense of two groups, consumers and efficient producers. As a consequence, productivity is restrained and consumers are compelled to pay unnecessarily high prices.

In closing, Mr. Speaker, I should like to quote from Armentano's conclusion to his book, which I mentioned earlier. He said:

> Capitalism is a viable economic system or it is not. An active policy of government intervention in a free market business sytem is a contradiction in terms. Trades of private property are either voluntary or they are not; one cannot legislate the free market or create competition. To have a free market the government must leave the markets alone; to have the state make markets "free" is again a contradiction in terms. Critics of antitrust policy who pretend to be concerned with the free enterprise system have either not realized, or have refused to realize, this fundamental issue.
>
> Is there business monopoly in the present economic system? Of course there is. Government favours, privileges . . . tariffs . . . [etc.] . . . can and do allow certain corporations to hold and employ "monopoly power," i.e. governmental power for economic advantage. Such "plutocratic" devices (as William Graham Sumner termed them) are the essence of monopoly and they are absolutely improper in a free market system and should be ended. The "monopolies" that the FCC, CAB, and ICC maintain could not last a day without governmental support.
>
> But this kind of "monopoly" has nothing directly to do with the mission of antitrust. Antitrust, supposedly, was aimed at free market monopoly problems and the marginal competitive problems that would arise when business was left free to pursue its own self-interest. Yet, ironically, the essence of the monopoly in the market place is governmental. In this light, antitrust may be seen as a diversionary tactic to draw attention away from the real monopolistic problems—the developing plutocratic relationship between business and government. Certain elements of the business community have never desired "free competition" and the uncertainties and "irrationalities" often associated with it. They have sought and gained economic subsidy and protection through the political system. They have been anxious to use the government to "regulate competition" because it was, supposedly, tending toward monopoly. Antitrust, therefore, may be an even bigger hoax than anyone has imagined.

Perhaps this bill will pass in substantially its present form. If that happens, then the anti-combines mess in Canada will simply become that much messier; efficiency of production will be reduced, and consumers and efficient producers will suffer. And nothing will have been done about the real monopolies.

[*Translation*]

Mr. La Salle: Mr. Speaker, with the consent of the House, may I call it six o'clock?

[*English*]

Some Hon. Members: Agreed.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 28, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

ENERGY

STATEMENT BY PRIME MINISTER ON AGREEMENT WITH PROVINCES RESPECTING PRICE OF CANADIAN CRUDE OIL

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in less than seven months, soaring international oil prices—that shock wave from the Persian Gulf—has spread its tide of extreme economic disruption to all continents and the majority of nations. Even in Canada, with important oil resources of its own, these world changes have threatened our economy. They have, in fact, created a major challenge in our experience as a nation.

Today, Mr. Speaker, it is my privilege to report to the House the details of a national agreement to meet this challenge. An agreement reached yesterday which underlines the good will and national feeling that exist in all provinces and regions—which stands as a tribute to the vitality of our Canadian community. As I have said, yesterday was a great day for federalism.

The House will recall that when the world changes first became evident last fall, the federal government stepped in to freeze the price of Western crude oil and to assure that sufficient amounts of it would be available in Eastern Canada in case of reductions in imports. At the same time, the government's oil export tax ensured that the international price received for export crude did not become a windfall gain to the oil companies.

It was apparent, however, that Canadian oil resources were limited. It was apparent that if we wished to assure the huge investments necessary for adequate future supplies, somewhat higher domestic prices would be essential; that the oil-producing provinces—mainly Alberta and Saskatchewan—must be assured a fair return. And notwithstanding this, that at a time of worldwide inflation, Canadian consumers in every province must be carefully protected from any unwarranted price increases.

Despite the strongly held and differing views of all concerned, despite the endless complexities on almost every aspect of the problems involved, federal-provincial consultations took place through the fall—and led to the conference on energy held in Ottawa during January. That conference reached the key agreement that no further change would take place in crude oil prices for the interim period, which as you know, will end on Monday next.

I had said in my statement of December 6 that crude oil should become available at the same basic price across Canada, subject, of course, to the addition of transportation costs.

● (1410)

[*English*]

On that crucial principle of a "single Canadian price" we have been able to build the agreement reached yesterday.

Some hon. Members: Hear, hear!

Mr. Trudeau: The broader foundation of that agreement has been what I can only describe as a remarkable spirit of cooperation, of understanding and patience, for which I pay tribute to the spirit and generosity of our ten premiers.

It is a good thing, Mr. Speaker, to be living in a country where everyone shows a deep concern for the legitimate interests of all the people and of all parts of the country and, I should add, to have a Minister of Energy, Mines and Resources who has worked so hard to reconcile these interests.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, it is also good to have the House in such a happy mood following yesterday's conference. I am sure this will set the tone of the remarks of the Leader of the Opposition (Mr. Stanfield) and of the leaders of the other parties.

Some hon. Members: Hear, hear!

An hon. Member: After the comedy part presented by you.

Mr. Trudeau: The gentleman over there talking about comedy will have to wait until his leader speaks.

We have all searched hard for solutions which would meet the reasonable aspirations of the producing provinces as well as the immediate and longer term energy needs of all Canadians. At our meeting yesterday the first ministers agreed, because the trend of world oil prices cannot be predicted with any accuracy, it was not possible to settle at this time on any permanent pricing arrangement for Canada. We recognized, however, that a period of stability in Canadian prices was absolutely essential and we all accepted the arrangements to come into effect on April 1. Those arrangements are as follows:

First, the pricing and other arrangements I will now outline will last for a period of 15 months, beginning on April 1 and therefore going to the end of June next year.

Second, the price level. When domestic oil prices were frozen last September 4, the average price of crude was $4 at Edmonton. Of course there are many different qualities and places of production for crude oil in western Canada,

and that is why I talk of averages. The September 4 average price level will be taken as a base: the amount of $2.50 will be added to give a new average price in Canada for domestically-produced oil of $6.50 apart from transportation costs. These increases are substantial. But Canadian prices will remain far below international levels, and below the average level in the United States. The $6.50 will go entirely to the provinces, to divide with the companies as they see fit subject, of course, to our federal right to use the federal corporation tax responsibly.

Third, the federal government will continue to collect an oil export charge. First call on the resulting revenues will be for a "consumer cushion"—to bring down the price of imported oil from its international level of about $10.50 to the new Canadian level of $6.50.

Some hon. Members: Hear, hear!

Mr. Trudeau: Fourth, the effect of new provincial oil revenues on federal equalization payments to the provinces.

Mr. Korchinski: Check it as between Toronto and Ottawa in the meantime.

Mr. Trudeau: I am afraid I did not understand that, Mr. Speaker.

Mr. Korchinski: Check it as between Toronto and Ottawa. Do that.

Mr. Trudeau: The hon. member may have an idea, Mr. Speaker. I think he should speak about it in his caucus and perhaps we will end up having some opinions on energy from the opposition.

Some hon. Members: Hear, hear!

Mr. Wagner: Try some humility.

Mr. Trudeau: The House may wish to note that Saskatchewan intends to place most of its added oil revenues in a capital fund for energy development; Alberta proposes to handle a high proportion of its added revenues in the same manner.

Some hon. Members: Hear, hear!

An hon. Member: We always have.

Mr. Trudeau: While the revenues taken into those capital funds would not be subject to equalization, the federal government will, of course, pay equalization respecting any oil revenues that go into general funds. We calculate our added equalization payments will likely be something over $100 million for the year.

These, then, are the principal features of the first ministers agreement, on which we now seek the views and the assent of parliament. The government will introduce required legislation forthwith concerning, among other things, first, the Canadian price at which crude oil will move interprovincially, second, the export charge and, third, the "consumer cushion" on imported oil.

The national oil agreement I have just described would surely not have been possible without the good will and

[Mr. Trudeau.]

deep commitment to Canada of the premiers of Alberta and Saskatchewan.

Some hon. Members: Hear, hear!

Mr. Trudeau: Hence I think I could appropriately conclude this statement by noting the federal government's active commitment to these oil-producing provinces: to assuring they obtain a just and reasonable price for their depleting conventional oil resources; to assisting them on a national basis to develop unconventional new oil sources such as the Alberta oil sands; and to helping them ensure alternative economic development so that future growth can be sustained and diversified in western Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: A fundamental belief of our government, made clear since 1968, is that balanced economic growth in every region is essential to Canadian unity, and essential to the well-being of every Canadian. And this is a paramount aspect of our over-riding duty amidst a troubled world oil situation: that is, our duty to equalize for all Canadians both the benefits and burdens of world change; to manage the national economy in a way that betters the lot of each Canadian, by narrowing the divisions among all Canadians. Such is the direction of yesterday's national oil agreement.

Some hon. Members: Hear, hear!

● (1420)

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I want to touch on three more or less related elements involved in this situation. One element, and one I have always held to be the most important, is the matter of the federal government and the provincial governments coming together, in a spirit of co-operation and good will, to determine how their relationships should be balanced in the interests of all Canadians. It has always been fundamental to any ongoing policy determinations related to price, security of supply, conservation, the environment, or the development of new supplies, to all these areas and more, that a basis for intergovernmental relationships should be sought and should be achieved. In the agreement the Prime Minister (Mr. Trudeau) has announced this basis seems to have been achieved.

I must also say I have always believed that you cannot really make an omelet without cracking some eggs. But I have to say again, and I hope this is the last time I have to say it, that the process of coming together was made much more difficult by the succession of unilateral federal actions which date back to last fall. I think there should be a lesson in this for all governments, present and future, that to go it alone, to proceed in a tone of confrontation, is akin to speeding up a deadend street. At some point you have to turn around. It takes longer to get out of that deadend street when you have sped up it too fast and have gone down it too far. If we are now back on the main road, as I hope we are, the entire country has reason to feel relieved, and I am sure all parties in this House will applaud.

Mr. Trudeau: They did not.

Mr. Stanfield: That is one element in this development, a coming together to set a framework for federal-provincial relationships.

The second element to be settled was the matter of prices, and the Prime Minister has described to us today what has been done. The price level and the duration of the price at that level are temporary, as he has described them. They comprise a stage in the ongoing process, and I believe that is the proper way to have proceeded.

However, it is not clear whether the other parts of the package are temporary as well or whether in fact they comprise an approach, a strategy or a policy that will carry on regardless of what new price level and duration may be negotiated at a future time. I would hope this could be clarified somewhat by the Prime Minister. I think this is a very significant point.

The revenue arrangements have made provision for the financing of the one price across the country, and have made provision for equalization payments amounting to $100 million or more. They do not provide money for the federal government to use in terms of new development. If they involve an agreement in principle with the provinces for the use of these moneys through capital funds, which the Prime Minister (Mr. Trudeau) has described, through these capital pools, if the provinces are to provide the major investment incentives for future development of petroleum resources in their provinces and if they are to assume this role on a long-term basis, then this in fact seems to represent a new strategy and a significant step in the evolving of a policy. If, on the other hand, it is simply intended to place them in a position to put some funds aside for this purpose in the short term, in that case we would be suspicious that the government has perhaps found a temporary way out for the Minister of Finance (Mr. Turner) who has been in a state of some confusion and concern about this matter as it relates to equalization payments. I hope we will get further clarification on this aspect from the Prime Minister, the Minister of Energy, Mines and Resources (Mr. Macdonald) or the Minister of Finance—or possibly the Minister of Supply and Services (Mr. Goyer).

The third element I wish to mention relates to the importance of this coming together or keeping together of the federal government and the provinces with regard to the further development of future supplies of petroleum. This matter is, of course, of the utmost importance. I want to stress the importance of constant consultation and constant participation in getting this job done, at least within the boundaries of the provinces. I emphasize the importance of participation and the importance of co-operation rather than the ministers talking off the tops of their heads about the rate at which provincial resources should be developed, and doing so without consultation.

With regard to the development of the tar sands, for example, which the Prime Minister touched on, the Minister of Supply and Services says that no policy has been affirmed by the government and so he is free to say whatever he likes, as long as the Prime Minister likes what he says. Some time ago the Minister of Energy, Mines and Resources said in Washington, I believe, seemingly without any consultation in advance with the government of Alberta, that the pace of the development of the tar sands would be moderate because this was in the best interests of Canadians. Obviously the minister believes this is the policy and he labours under the impression that it is his responsibility to propagate it at home and abroad. With no consultation, of course, the Minister of Supply and Services has taken off again and renewed his particular pitch. The Prime Minister apparently does not flinch from this. The Minister of Energy, Mines and Resources, a person whose qualities of restraint are legend, has suffered all of this with the utmost dignity.

An hon. Member: When do you get to the oil agreement?

Mr. Stanfield: Perhaps he believes that he who thumps last will last to thump again.

Some hon. Members: Hear, hear!

Mr. Stanfield: The point I want to make, Mr. Speaker, is that it is imperative that the lesson of the coming together in connection with pricing must also be applied to development. Considering what we have heard from different ministers in recent months, it is necessary to emphasize that this area of policy, so far as the federal government is concerned, remains palpably untidy. As the Minister of Transport (Mr. Marchand) would say, it constitutes a mess.

I want to make it very clear, in fairness to the Minister of Energy, Mines and Resources, that I do not lay the responsibility for the absurdities we have witnessed with regard to the rate of development of the tar sands at his doorstep. I think the Prime Minister must accept some responsibility in this area and do something about it. In short, sir, let us heed the lesson which was illustrated yesterday by the coming together in connection with prices and make certain that in the interests of the country we apply this lesson also with regard to the development of our natural resources, particularly the tar sands.

● (1430)

Mr. David Lewis (York South): Mr. Speaker, in his statement the Prime Minister (Mr. Trudeau) referred to the fact that the government last fall froze the price of oil and introduced the export tax, following, you will remember, demands made by my colleagues and myself for those policies.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lewis: I understand that the Leader of the Opposition (Mr. Stanfield) regretted the fact that the federal government took action along those lines. I am convinced that if the federal government had not acted last fall, the agreement reached yesterday might well not have been possible; certainly it would have been too late after prices had gone up.

It goes without saying that an agreement reached by the 11 governments of Canada is a desirable way of arriving at a policy. It serves our federal system better than unilateral action either by the federal or any provincial government.

I emphasize that I regret that the price has gone as high as $6.50 per barrel. It would have been much better for Canadians if the price had been lower and the producing provinces had received part of the export tax, because their revenues would have been the same and the Canadian consumer would not have to pay more. I cannot say what first minister was of one view and what first minister was of another, but simple arithmetic tells me that a price of $5 for a barrel of oil and a portion of the export tax would have produced as much for Saskatchewan as it will get for the $6.50, and perhaps a few cents more. I must therefore conclude that it is the other producing province which insisted on the higher price.

Some hon. Members: Oh, oh!

Mr. Andre: Who writes your speeches?

Mr. Lewis: Mr. Speaker, simple arithmetic—

Some hon. Members: Oh, oh!

Mr. Lewis: —and my knowledge that the Premier of Saskatchewan is a very logical person led me to that conclusion.

When we speak about petroleum prices we are not merely talking about an increase in the price of gasoline or heating oil. We are speaking about an increase in the cost of production to the farmer and to the fisherman, and about increased costs of production to other industries that use oil. We face, as a result of the increase of $2.50 a barrel, an increase of more than one per cent, direct and immediate, in the cost of living for the people of Canada. Therefore I would have preferred a substantially lower price, coupled with the producing provinces receiving part of the export tax revenues since they are not now getting a penny of them. What is happening is that consumers west of the Ottawa line are really paying for the subsidization east of the Ottawa line, which of course we support without any reservation. One oil policy for Canada is an objective which every Canadian ought to support.

Mr. Trudeau: But you don't want to approve it.

Mr. Lewis: My second point is that this increase in price will be an additional bonanza for the profits of the multinational oil corporations which already are making immense profits. Again I must point out that this is not true of corporations operating in Saskatchewan.

Some hon. Members: Oh, oh!

Mr. Lewis: If hon. members to my right in the Conservative Party did not feel so guilty, they would not be making all this noise, Mr. Speaker.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, I wonder, since the hon. member has mentioned the companies in Saskatchewan, if he would permit—

[Mr. Lewis.]

Mr. Speaker: Order, please. May we have order, please. The right hon. member for Prince Albert seeks the floor, I assume for a point of order.

Mr. Diefenbaker: No, to ask a question.

Mr. Speaker: If not, the hon. member for York South has the floor.

Mr. Lewis: I said that these additional profits would not apply to multinational corporations in Saskatchewan. The legislature of Saskatchewan has already passed an act which takes all revenues above $3.38 per barrel into the public treasury. Every penny of the additional price in Saskatchewan will go into the public treasury for the use of the government and the people of Saskatchewan. But that is not the case in Alberta. Undoubtedly, a very large proportion of the additional price will go into the pockets of the multinational corporations to add to their already enormous profits. In our opinion there is not the slightest justification for adding hundreds of millions of dollars to the profits of multinational corporations already making immense gains out of the resources of Alberta and of the people of Canada. I say that this fact makes more urgent than ever reform of our tax system to eliminate all concessions to the multinational corporations and to tax much more of their profits than we now do.

The next point I want to make is that we now have in Canada a two-price system for both oil and wheat produced in the western provinces. I believe the time has come for us to look seriously at the possibility of a two-price system for steel, lumber and similar basic commodities which enter into the cost of production and the cost of living of all Canadians so that we can do something effective. Although we cannot remove inflationary pressures, we could do something effective about them.

The last point I want to make is this. When the Prime Minister had finished the last paragraph of his statement, I said not very loudly, "Amen". He emphasized that even since 1968 the government has been committed to removing regional disparities in Canada and to dealing with such problems as transportation and other matters which cause eastern, northern and western Canadians to suffer from the concentration of economic activity in central Canada. I say to the right hon. gentleman that as far as words are concerned he is right. His government has been committed in words to the removal of these disparities. But, almost exactly six years later, the steps in the direction of removing the disparities have been small, almost invisible. The time has come to replace words with legislation and action that will improve the life of people in the Atlantic provinces and in northern and in western Canada.

● (1440)

Some hon. Members: Hear, hear!

Mr. Lewis: As I said at the beginning of my remarks, as a Canadian I am glad the first ministers were able to reach, if not an agreement, at least a consensus which all of them were prepared to accept. I judge from the press conference of the Prime Minister yesterday that is a more accurate statement, that they were ready to accept this even though it was not in all cases acceptable. I regret,

however, that the agreement could not have been one along the lines I have suggested.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, it is obvious that we must welcome the agreement concluded between the federal and provincial governments.

Now, an analysis of that agreement shows that it is necessary to make some reservations. We are wondering how can anyone fully justify the policy of an entirely artificial increase based exclusively on incidents which happened abroad. We can hardly admit it. If our country can produce a useful commodity essential to Canadian consumers, our first concern should be to enable our citizens to take advantage of our natural resources which are not costly. Therefore, we accept the principle of that purely artificial increase, but with many reservations.

There are other parts of the agreement about which it is important to mention a few facts. It is said that the price is set for all of Canada. I agree with that, but this does not take the transportation issue into consideration. However, since there are no details on how the government will organize transportation or subsidize it if need be, the price in some areas of Canada could depend totally upon transportation, about which we have insufficient data.

Moreover, this agreement, which basically seems to solve a problem, will benefit only the oil companies or the provincial governments of Saskatchewan and Alberta, if they wish. It remains that the Canadian consumer seems to have been forgotten, since throughout this whole energy pseudo-crisis, because it was a pseudo-crisis, the multinational companies were allowed to make windfall profits to such a point that we may wonder if we would not find in Canada scandals like those that happened in Italy, for instance, if we looked for them.

Mr. Speaker, if there is need to settle the basic price problem it is also imperative to think about a solution to the one regarding retail prices to consumers. It concerns everybody, fuel oil as well as gas consumers. Nothing has been done in that connection and we, at least in my constituency, can stop at a service station and buy regular gas at 57 cents. Twenty miles farther it can cost 70 cents and some place else 77 cents. Now, this is the consumption level, at the level therefore where the Canadian citizen is hardest hit. There is nothing definite to that effect in the agreement.

I think, Mr. Speaker, that the government should, in consulting provinces, undertake a thorough investigation on this so as to be able to make it clear that at first price increases were completely unaccountable. We had rather concrete evidence of it when the government, becoming a little jittery, decided to buy fuel oil abroad at an excessive price, but did not know where to store it because warehouses were full. Mr. Speaker, this oil was paid at a very low price for that time. However, companies immediately increased the retail price, thus making huge profits.

In short, basic prices should be controlled and attempts made to set up a uniform price. Consideration should also be given to setting up, not controls maybe, but consumption standards.

It has been said that the export tax will limit consumption, although nobody knows quite how. If we want to bring the price of imported oil, which generally sells for $10.50 at the present time, down to the proposed level of $6.50, how are we going to share the $4 difference? Will it be refunded to consumers or returned to the provincial government? We must be very careful, especially in the province of Quebec, for this province is very much interested. We are all aware that the Quebec government is past master in accepting federal funds and using them as it sees fit.

The $4 difference might not even be passed on to consumers. We should need more detailed information to be in a better position to judge this agreement; nevertheless, we hope that it will benefit the whole of Canada.

* * *

[*English*]

NATIONAL DEFENCE

ANNOUNCEMENT OF ORDER AMPLIFYING SERVICE REGULATIONS GOVERNING USE OF NAVAL RANKS

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I wish to announce that an order will be issued today within the Department of National Defence to amplify service regulations governing the use of naval ranks. Naval ranks are listed in column two of Section 21 of the National Defence Act and include all naval ranks from ordinary seaman to admiral.

Under the new order, all personnel will use and be referred to by their naval rank if they are in the naval operations branch, and employed in Maritime Command, in a ship or other vessel, or in a ship repair unit.

Provision is also made in the regulations for personnel to continue to use naval ranks upon leaving the naval operations branch if they wish to do so.

In addition, all personnel in the naval reserves as well as all sea cadet instructors will use naval ranks. Finally, Mr. Speaker, all officers and other ranks who were serving as members of the Royal Canadian Navy prior to unification of February 1, 1968, may elect to use their appropriate naval rank regardless of where they are now serving.

I would like to emphasize that it is our intention to achieve all possible advantages from unification, but I believe, as I have stated at other times, that it is important for members of the Canadian Armed Forces to identify themselves with the traditions and accomplishments of individual units of the service.

● (1450)

This order on the use of naval ranks will take effect today, March 28, 1974. It honours the commitment made to members of the Royal Canadian Navy at the time the three services were unified into the Canadian Armed Forces.

Hon. Paul Hellyer (Trinity): Mr. Speaker, we welcome this announcement on the part of the minister. It is, as he has suggested, consistent with the commitment made at the time the unification bill was approved by parliament. It will clarify the circumstances in which naval ranks may appropriately be used, and this clarification will, I am sure, be well received by armed forces personnel.

If the minister will now reverse his decision with respect to a replacement for the Centurion tank so that in that case too he will be consistent with earlier plans, he will earn enthusiastic applause from this side of the House.

Mr. Doug Rowland (Selkirk): Mr. Speaker, I am not entirely sure, as a serving officer in the naval reserve, that the new guidelines on conflict of interest do not disqualify me from speaking on this subject, but I am going to anyway.

First of all, the announcement that the government will be honouring the commitment it made to the Royal Canadian Navy at the time of unification is welcome. There are two important reasons for so doing. The first is the very practical reason that fleet units of the Canadian Armed Forces operate with naval elements of other countries where traditional ranks are used, and this kind of arrangement will avoid confusion. It is also very difficult to explain to someone not within the services how important something as symbolic as a rank can be to a person who is in the forces, but I assure hon. members that this is an extremely important consideration with respect to morale in any forces unit. For those two reasons especially I welcome the minister's announcement.

It is interesting to note that the last major occasion upon which a general was in command of a fleet involved the Spanish Armada. I do not know whether you can tie the results of that naval engagement to the fact that a general was commanding the Spanish fleet, but it is something worthy of consideration.

I hope that this evidence that the minister is devoting some consideration to the naval forces of this country will result in his continuing his consideration and re-examining his decision to cut back, in effect, on the amount of equipment made available to maritime command for the carrying out of its duties. It seems to me that the decision to reduce equipment, such as the number of Trackers by 50 per cent, is ridiculous at a time when Canada's maritime interests are expanding. I refer to our interest in the management of our ocean resources, both mineral and living, and our interest in controlling pollution of the sea lanes. With this kind of consideration going on in Canada and the expanded interest in maritime matters, this is certainly not the time to be cutting back on equipment at the disposal of maritime command of the Canadian Armed Forces. I hope the minister will reconsider that part of his decision relating to the modernization and re-equipping of the Canadian Armed Forces.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the Minister of National Defence (Mr. Richardson) has just made a very important statement though brief.

As for the Canadian troops, they are proud, and rightly so, of their ranks. The efforts they make, the risks they take, and especially their devotion to duty has won them respect throughout the world. To my mind, the decision just reached by the minister, which goes into effect today, is very important for our troops and will no doubt please them.

[Mr. Hellyer.]

[*English*]

FISHERIES

NOVA SCOTIA INSHORE LOBSTER FISHERY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 to seek unanimous consent to move a motion in a case of urgent and pressing necessity, namely, the fact that the inshore lobster fishermen of Nova Scotia have seen the price that they receive for their lobsters drop from $2.70 per pound a year ago to $1.65 a pound today and their catch is 30 per cent lower than it was a year ago, all of which is the direct result of fishing pressures by two large companies, aided and abetted by the federal Department of the Environment.

Mr. Speaker: Order, please. The hon. member knows the practice relating to the proposing of Standing Order 43 motions, namely, that there should be no argument advanced, only a brief statement of the facts, if even that is required. The hon. member should indicate as quickly as possible the terms of his motion.

Mr. Howard: Mr. Speaker, I had coincidentally reached that point, but I thought it necessary to enlighten the government about the situation in the hope they would agree to the motion.

An hon. Member: Order!

Mr. Howard: And some Conservatives as well. Therefore I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That the Standing Committee on Fisheries and Forestry be asked immediately to commence a review of the lobster fishery in Nova Scotia.

I will leave out the rest of the motion since it has implications with regard to lack of action on the part of the government.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

GOVERNMENT ADMINISTRATION

LEVEL OF SPENDING BY DEPARTMENTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of Canada's spiralling inflation rate, which is among the highest in the western world and is in large measure caused by excessive government spending, I move, seconded by the hon. member for Portage (Mr. Masniuk):

That this House instruct the government to issue directives to all departments requiring that they reduce their budgets for the next fiscal year by 10 per cent.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

VETERANS LAND ACT

AMENDMENT TO EXTEND DEADLINE FOR EXPIRY TO MARCH 31, 1975

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved for leave to introduce Bill C-17, to amend the Veterans Land Act.

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

Mr. Speaker: When shall the said bill be read the second time?

Mr. Reid: Mr. Speaker, I rise on a point of order. There have been discussions through the usual channels and an agreement has been reached which, as I understand it, is that we will take second reading of this bill as the first item under orders of the day. Speeches will be limited to one speaker for each party, and the bill will then be sent to the Standing Committee on Veterans Affairs which would meet this evening to give consideration to the bill.

Mr. Marshall: Mr. Speaker, we agree to that disposal.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Marshall: On a point of order, Mr. Speaker, we agree to the time for second reading, but beyond that we will decide.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think it is a fact that the discussions that took place related only to the time of second reading and to one speaker per party at that stage. As to anything else, such as the possibility of changing the committee situation, this was to be left for later discussion. So at this point, without binding the future, I think all that the four parties have agreed to is that we take second reading today, and that the debate on second reading be limited to one speaker per party.

● (1500)

Mr. Speaker: Order, please. The House has heard the comment by the hon. member for Winnipeg North Centre. It is the understanding of the Chair that the question on second reading of this bill will be put this afternoon at the time of calling of orders of the day and that there will be an order of the House limiting the contributions of hon. members to one speaker from each party. Is that agreed and so ordered?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

EGGS—POSSIBLE RELEASE OF REPORT OF INVESTIGATION INTO CHARGES BY FOOD PRICES REVIEW BOARD ABOUT EGG MARKETING

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Agriculture who has just stepped out behind the curtains. Perhaps in his absence I could direct it—

An hon. Member: He is coming back now.

Mr. McGrath: Mr. Speaker, perhaps by the time I put my question the minister will be in his seat. I should like to ask whether he is now in a position to release the report on the investigation into charges raised by the Food Prices Review Board about egg marketing in Canada which were released on January 10? My question is prompted by the request from the Canadian egg producers for import controls on United States eggs.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the report has not been submitted to me yet so I am in no position to make it public.

EGGS—REQUEST FOR CONTROLS ON IMPORTS FROM UNITED STATES—GOVERNMENT POSITION

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the request by certain Canadian egg producers for import controls on U.S. eggs coming into Canada, and in view of the specific recommendation of the Food Prices Review Board which called for an immediate reduction in the price of eggs to make it more realistic in relation to the cost of production, and also called for a system of price stabilization, I should like to ask the minister, after he has had time to consult with the Minister of Consumer and Corporate Affairs, whether he is now in a position to enlighten the House and the country, especially having regard to the chaos that exists in the egg industry and the high prices to consumers in this country?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member is aware that there has been a decrease in the price of eggs since the Food Prices Review Board report was submitted. I am sure he could get a copy of the brief submitted to me the other day by CEMA, which shows that they are producing eggs at a loss in Canada and are therefore asking for some kind of a program that will stabilize the industry and take the chaos out of it which I am sure the hon. member recognizes is there at the present time.

Mr. McGrath: Will the minister now respond to that part of my question in respect of the request by Canadian egg producers for import controls on U.S. eggs presently coming into Canada?

Mr. Whelan: Mr. Speaker, we just received the brief from them one day this week and we have had short discussions. Several ministers have copies of the submission and are studying it and will be in the next few days—the next week.

* * *

ENERGY

OIL—REQUEST THAT PRICES OF PRODUCTS REFINED FROM FEEDSTOCKS NOW ON HAND NOT BE INCREASED

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. It is my understanding that the refineries usually have about 45 days' supply or more of feedstocks for their refineries. I should, therefore, like to ask the minister whether he has been in consultation with the companies to make sure that the price freeze which has existed until now so far as the products coming out of the refineries are concerned will be maintained for the next 45 days so that refineries will not increase the price on stock which they had bought at the frozen $4 price?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, a telex will be going out to the industry today, which I will be glad to lay on the table later, asking the various companies to restrain the price of refined products related to the feedstock costs alone for a further period of 45 days, that is, until May 15, so oil on hand inventories at the lower price can be worked through the system with the price increase coming after that on future products.

Mr. Lewis: I would gather from the minister's answer that he has not yet discussed this with the companies. Can he give the House any indication whether he expects that the request in his telex will be carried out by the companies concerned?

Mr. Macdonald (Rosedale): Mr. Speaker, I should say that I discussed the question with a number of major companies last week, indicating the government's intention with regard to inventories. I cannot, of course, be certain with regard to the industry until the request is formally communicated, but I have an expectation that it will be carried out.

OIL—SUGGESTED USE OF EXPORT TAX REVENUE TO AID EXPLORATION AND DEVELOPMENT

Mr. David Lewis (York South): Mr. Speaker, I have a further supplementary question either for the minister or the right hon. Prime Minister. When the export tax was first introduced one of the objectives for which the revenues from the export tax were to be used was to assist in the development of new energy sources and resources in Canada. In view of the fact that the export tax about which the Prime Minister is now talking is to be used almost entirely for the purpose of subsidizing the eastern part of Canada east of the Ottawa line, may I ask one or the other of the two gentlemen whether it is the government's intention to set aside adequate funds to assist the provinces, where further oil may be found, in exploration and development, such as the tar sands, so there will be some Canadian ownership of the future development of these new sources of petroleum?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, our view would be that in view of the very substantial amounts by way of capital that the two producing provinces will be accruing from that portion of the increase they choose to take by way of royalties, it seems to us that no additional federal funds should be required for this purpose. We will, of course, in due course be bringing forward to the House the proposal with regard to a national petroleum corporation under federal jurisdiction which would be funded with federal funds.

Mr. Speaker: Order, please. There are a number of hon. members seeking to ask supplementary questions on this subject. Perhaps the Chair might be allowed to proceed with the first round of questions and then I will see the Leader of the Opposition and other hon. members on supplementary questions.

* * *

[*Translation*]

AGRICULTURE

HOGS—INCREASE IN PRICE OF FEED IN EASTERN CANADA

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

As the hog producers in eastern Canada, and more specifically in Quebec, are no longer making any profits on their production because of lower sales prices and increases in the cost of feed grains, more specifically from $94.93 in January 1973 to $152.20 in 1974, will the government take immediate steps to protect those producers adequately?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have received some representations from different hog producer organizations, but I am not prepared at this time to say what we intend to do.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to ask a supplementary question.

Since the minister received representations in that regard, can he say whether he will announce his decision very soon so that we can advise the concerned producers who tell us their distress and ask us for positive action?

[*English*]

Mr. Whelan: Mr. Speaker, the same answer still holds. I am not prepared to say what action we are going to take or whether there will be a statement made.

ENERGY

OIL—GOVERNMENT POSITION ON FEDERAL PARTICIPATION IN DEVELOPMENT OF TAR SANDS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question arising from an answer given by the Minister of Energy, Mines and Resources just a few minutes ago to the hon. member for York South in which he indicated that the government would be leaving it to the provinces to use their capital funds to encourage exploitation of their petroleum resources, which represents some change in policy. Do I take it from the minister's statement that it is not the intention of the government of Canada to participate with the provinces in the development of the tar sands except through such enterprises as the national petroleum corporation if it is set up?

● (1510)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we will, of course, be participating with the producing governments in relation to that portion of the export tax from its inception to the end of January, 1974, and we have for this purpose indicated that a fund of $40 million will be available for research into the oil sands. Further federal funds for participation either in the oil sands or other petroleum endeavours would be under the aegis of the national petroleum corporation. I should also say by way of parenthesis that further proposals with regard to the uranium field would be handled by Eldorado Nuclear Limited.

ELECTRICITY—SUGGESTED NEED FOR FORMULA TO EQUALIZE COST IN PRINCE EDWARD ISLAND AND NOVA SCOTIA

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary for the Prime Minister or the Minister of Energy, Mines and Resources. With regard to some of the eastern provinces—I am thinking particularly of Prince Edward Island and Nova Scotia—and the increased cost of thermal generated electricity and the real problem there is in trying to maintain an equitable price for electricity in the provinces, I wonder whether any formula of assistance will be worked out whereby there could be some equalization of this important cost both in terms of industry as well as consumer utilization?

Right Hon. P. E. Trudeau (Prime Minister): Not as part of any discussion we had yesterday, which was purely on matters concerning all provinces. I would be fair to add, however, that I have had representations not only in the course of yesterday but previously. Indeed, I believe the representations the member refers to were made in January by the premier of Prince Edward Island. These things have been considered by the government, and discussed with the premier, and I am sure there will be further discussion. I would merely add that there is a desire on the part of consumers and, indeed, the provinces in many parts of the country to have greater subsidies for various purposes. The Leader of the New Democratic Party a moment ago suggested a form of subsidy to producing provinces out of the export tax. I just want to make the point to all hon. members opposite that funds are not unlimited.

Mr. MacDonald (Egmont): Mr. Speaker, I have a further supplementary for the Prime Minister. In view of the fact that the province of Prince Edward Island is 100 per cent dependent on thermal plants for generating electricity and has already experienced a 40 per cent increase in electricity costs in the last half dozen months and expects a further increase shortly, would the Prime Minister say whether serious consideration is being given to an equalization of the cost of electricity as well as the hoped for construction of a submarine cable which would allow Prince Edward Island to become part of the hydroelectric and perhaps of the nuclear-generated electricity system that is to come on stream within the maritimes or the Atlantic region.

Mr. Trudeau: I repeat, Mr. Speaker, that both these subjects have been raised by the premier of Prince Edward Island. Very forceful representations have been made to myself by him and I am sure to other ministers equally. The hon. member may not understand that there are other provinces in the maritimes which have similar requests, and there are provinces in other parts of Canada which are also asking for subsidies. For that reason, I am not able to make any commitment at this time along the lines the hon. member is talking about. I told Premier Campbell we would be in further discussion with his office, and indeed, even today I asked that such discussions be pursued.

OIL—USE OF EXPORT TAX REVENUE IN DEVELOPMENT OF TAR SANDS—PARTICIPATION BY PROPOSED NATIONAL PETROLEUM CORPORATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources which is supplementary to the question asked by the hon. member for York South. In view of the fact that the $2.50 increase in the price of oil to be received by the producing provinces will do little more than compensate them for the fact that they are losing 50 per cent of the export tax revenue and therefore they will not have any more funds than they had before, may I ask the minister, in view of the fact that originally 50 per cent of the export tax was set aside for development, whether the government is committing or earmarking any amount of money for development of the Athabasca oil sands and heavy oil in northern Saskatchewan to be spent through the national petroleum board or in any other way? Is there any amount set aside—

Mr. Speaker: Order, please. Perhaps the hon. member might allow the minister to reply, after which I will see the hon. member for Vegreville.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it seems to me that the hon. member is asking the same question as that just raised by the Leader of the Opposition. My previous answer was, of course, that there is the federal share of the export tax at the early stage of its operation. There is the intention there to put $40 million into oil sands research in co-opera-

tion with the province, and there is in addition the expectation that the national petroleum corporation when authorized by parliament will apply funds in the same way. If the hon. member is asking for funds above and beyond that and above and beyond the rather substantial funds going to the provincial treasuries because of the $2.50 increase, the answer is we do not have in contemplation seeking additional funds from the general revenue beyond those I just mentioned.

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TRANSPORT

JURISDICTION OF GOVERNMENT AND CANADIAN TRANSPORT COMMISSION—REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Transport. May I welcome the minister back to the House. I hope he has fully recovered from the flu bug which has plagued him in recent times.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Given the fact that the president of the Canadian Transport Commission today stated that the minister and the cabinet do have final authority over the actions of the Canadian Transport Commission in matters dealing with transportation in Canada, which statement is in direct conflict with that of the minister, may I ask the minister if at the earliest possible date he will make a statement on motions clarifying these conflicting views so that the people of Canada will be able to judge clearly just who is responsible for the mess in transportation in Canada?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, in light of the circumstances I think we are probably both right. This means that the CTC has the final decision over many things and we have also. I have never accused the CTC, as such, of being responsible for the troubles we have in the field of transportation. I think Mr. Benson is right and I am right, too.

Mr. Mazankowski: Mr. Speaker, in view of the minister's answer in which he indicated he may be right and the commission may be right, and his reference to exceptional circumstances dealt with by the minister, can the minister explain to the House just what those exceptional cases are, upon which the minister and the cabinet have power to overrule the CTC?

Mr. Speaker: Order, please. I would hope the minister would not attempt to do this unless we return to motions.

REASON FOR FAILURE TO MENTION TRANSPORTATION PROBLEMS IN THRONE SPEECH

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary for the Prime Minister in respect of the mess in transportation. Was any consideration given, either at the instigation of the Minister of Transport or others, to include in the throne speech of a few days ago mention of the matter of the mess in transportation and what the government intended to do about it?

[Mr. Macdonald (Rosedale).]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have thought the member would have had the presence of mind to ask this question during the throne speech debate which lasted eight days.

Mr. Speaker: The hon. member will be recognized for a supplementary, after which the Chair will recognize the right hon. member for Prince Albert.

Mr. Bell: Mr. Speaker, I ask the Prime Minister how we were to know there was a mess in transportation when the former minister was going around saying everything was great?

Mr. Trudeau: Mr. Speaker, the hon. member should have assumed it would take us several years to clean up the mess left by the hon. member for Trinity.

INQUIRY AS TO DISPOSITION OF STUDY ON MOVEMENT OF GRAIN

Hon. Paul Hellyer (Trinity): Perhaps, Mr. Speaker, I might be allowed to ask the Prime Minister, under the circumstances, what disposition was made of the study which was under way at the time I left the department to determine how western grain, for example, could move expeditiously and cheaply to ports so that it would be available for our overseas customers, and what action the government has taken since then based on that report?

• (1520)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is a large quantity of studies on the matter and they have all been made public. I think there are so many of them that they could hardly be contained in terminal 2 for which the hon. member is responsible.

Mr. Speaker: The Chair will recognize the hon. member for Trinity for a supplementary, but it seems to me this is a rather unproductive exchange.

Mr. Hellyer: My supplementary is simply this: when the government, with its special kind of genius, has managed to fowl up nearly everything in the country in five years, why could they not have taken some action in the field of transportation?

Some hon. Members: Hear, hear!

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ENERGY

OIL—POSITION OF PREMIER OF SASKATCHEWAN ON NEW PRICE FOR CANADIAN CRUDE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Prime Minister whether the meeting yesterday of the several heads of governments across the country was a secret one, or whether information concerning what took place will be available? I ask that in view of the fact the hon. member for York South

made the allegation that the $6.50 per barrel that was decided upon was apparently the result of making the premier of Saskatchewan putty in the hands of the premier of Alberta. I wanted to ask the hon. member for York South a question but he knew what the question was and therefore he refused to do the usual thing, accept it. Can the Prime Minister clarify the situation with respect to the premier of Saskatchewan and tell us whether or not he agreed wholeheartedly to the $6.50? Otherwise, we will hear about it politically from the hon. member for York South.

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the right hon. gentleman is familiar with the code of honour that prevails during these meetings, the essence of which is that each member should be allowed to speak for himself and give his point of view, which of course I did and which I understand the premier of Saskatchewan has done publicly in the press, and which certainly is a contradiction of what the leader of the NDP said.

Some hon. Members: Hear, hear!

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ADMINISTRATION OF JUSTICE

ALLEGED INVESTIGATION BY ROYAL CANADIAN MOUNTED POLICE INTO ACTIVITIES OF CERTAIN NEWSPAPER REPORTERS—REQUEST FOR PROTECTION OF CIVIL RIGHTS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question of either the Solicitor General or the Prime Minister, and I gave notice of it this morning. My question arises out of an investigation by the RCMP of alleged subversive activity by several newspaper writers or reporters, namely, Mr. Bob Parkins, Mr. Bill Boei, Mr. Bob Bragg and Mr. Warren Caragata, some of them employed by the Calgary *Herald*. Would the Prime Minister or the Solicitor General make a statement and also assure us that freedom of speech and civil rights will be protected in the case of these newspaper reporters?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there has been a long tradition in the House, and in consideration of the public interest, that we never reply in the affirmative or the negative to a question whether a police investigation is under way.

Some hon. Members: Oh, oh!

Mr. Woolliams: May I put this question to the Solicitor General. I do not think there is any question that an investigation has taken place, from the information I have and which the minister has, but in light of the situation will he assure the House that the civil rights of these reporters and freedom of the press in this country will be protected from this kind of investigation?

Mr. Allmand: This government and this party have always supported freedom of speech and freedom of the press.

Some hon. Members: Hear, hear!

Mr. Allmand: I might say that one of the reporters who was mentioned in the article in the Calgary *Herald* had not even heard of any investigation against him until he read about it in the Calgary *Herald*.

Some hon. Members: Oh, oh!

Mr. Woolliams: I would think, in light of the number of articles that have appeared and the amount of information that is now available on this subject, that the minister would want to assure the House and the country that the civil rights of these reporters will be protected other than by the kind of investigation which the minister knows is going on.

Mr. Allmand: I can give that assurance to the extent of my responsibility. I might say that at the federal level we do what we can to protect the civil rights of all persons, but there is a certain responsibility at the provincial level as well.

Some hon. Members: Oh, oh!

Mr. Allmand: We have no intention of interfering with the civil rights of any individuals, whether they be reporters or otherwise.

Some hon. Members: Hear, hear!

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FISHERIES

LOBSTER—EFFECT OF OFFSHORE FISHING ON INSHORE FISHERMEN OF NOVA SCOTIA

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Fisheries, who was here a moment ago. Perhaps I can put the question anyway and receive a response from someone else.

With respect to the decision made in 1970 by the department to encourage the development of two large companies in offshore lobster fishing, which had very injurious effects upon inshore lobster fishermen in Nova Scotia, and the commitment at that time by the Minister of Fisheries and, I understand, by the Prime Minister—that may not be accurate but if it is the Prime Minister might be able to reply—to examine and study the effects of this new mechanism and new procedure in fishing for lobster on inshore fishermen, was a study undertaken and completed by the end of 1971, as it was supposed to have been and, if so, what were the results of that study and what has been done to preserve the position of inshore fishermen?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, speaking in the name of the Minister of Fisheries, I cannot give details on whether or not there will be an investigation, but I will see to it that the hon. member gets an answer as soon as possible.

[*English*]

ENERGY

ATHABASCA TAR SANDS—REQUEST THAT MINISTER OF SUPPLY AND SERVICES EXPLAIN HIS DEVELOPMENT PLAN TO COMMITTEE

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is for the Minister of Supply and Services. I wonder if the minister would be willing to appear before the Standing Committee on National Resources and Public Works for the purpose of informing the committee of his plans for the development of the tar sands and, if not, why not?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I cannot add anything to what I said in Calgary. I think my speech did not leave anything out. If the hon. member would like to have a copy of my speech, I will gladly send him one.

[*English*]

Mr. Speaker: The hon. member for Mackenzie. The hon. member for Regina East has a supplementary question. Perhaps he should be recognized first.

Mr. Balfour: In light of the minister's comment that the public and members of parliament seem to have a closed mind on the subject of the development of the tar sands, would the minister appear before an open committee of members of the House of Commons for the purpose of explaining his plan for the development of this project?

Mr. Speaker: Order, please. I have serious doubts about this line of questioning. Perhaps we might give the hon. member for Mackenzie an opportunity to ask his question.

* * *

HEALTH

SUPPLY OF DOCTORS IN RURAL AREAS—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Would the minister leave football alone for a while and indicate what plans he may have for supplying some of the outlying rural areas with doctors as well as retaining those who are there, since he has already given some indication that there are too many doctors in the country?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would like to say first that it is hon. members on the other side who seem to be much more concerned about football than we on this side. It is they who seem to be spending much more time wondering what is coming or not coming than we are.

Some hon. Members: Oh, oh!

Mr. Lalonde: As to the specific question asked by the hon. member, I am appearing this afternoon before the Standing Committee on Health, Welfare and Social Affairs, as I have been on several occasions over the last few weeks. We have already discussed this particular point and will continue discussing it this afternoon. I only hope the hon. member will take the trouble to attend. If he does, he will get a very elaborate answer to his question.

Mr. Korchinski: I thank the minister for his invitation but I wonder whether he would inform the country and the House whether he has a specific policy. All he has given us is a lot of talk.

Mr. Lalonde: The hon. member will be pleased to read in the report of the standing committee, if he does not wish to attend, what the stand of the government is on this matter. He will then find that we have a very good and a very specific policy indeed in this respect.

* * *

● (1530)

POST OFFICE

SUBSTITUTION OF PICK-UP SERVICE FOR DELIVERY BY LETTER CARRIER FOR BUSINESS OFFICES IN HIGH RISE BUILDINGS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General, and may I say that there has been a little bit of difficulty in delivering it. Arising from the study released by the Letter Carriers' Union which reveals that over 80 per cent of business offices in high rise buildings prefer mail delivery by letter carrier rather than the pick-up service being introduced by the Postmaster General, without consultation, will the minister now meet with the letter carriers on this matter with a view to maintaining the best possible service to the Canadian public?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I refute the words said by the hon. member, and I want to assure him that there was consultation, that there is consultation now, and that I had many opportunities to speak with the union's president. I spoke to him just this morning. The hon. member can be assured that negotiations are going on in this regard. Thus, when he says that there is no consultation, he is completely wrong.

[*English*]

Mr. Dinsdale: In view of the fact the minister has given his assurance of meaningful consultations on this important issue, and the fact that the letter carriers in their release have stressed the importance of high quality of service, will the minister delay further implementation of this program until these consultations have been completed?

[*Translation*]

Mr. Ouellet: Mr. Speaker, if a decision has to be taken on this matter, I will announce it soon in the House.

[*English*]

ADMINISTRATION OF JUSTICE

LEAKING OF NAMES OF CERTAIN NEWSPAPER REPORTERS ALLEGEDLY BEING INVESTIGATED BY ROYAL CANADIAN MOUNTED POLICE—REQUEST FOR PROTECTION OF CIVIL RIGHTS

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is somewhat supplementary to the one directed by the hon. member for Calgary North to the Solicitor General. In view of the fact that the names of at least five or six individuals who are newspaper reporters have been leaked in respect of an RCMP investigation dealing with security, and in view of the minister's answer to the other hon. member, will he inform the House why that information concerning these individuals was leaked to the press and the general public, and what kind of action he will be taking to ensure that they will be defended against misleading statements affecting their civil liberties?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we do not know how the story originated that appeared in the paper in Calgary. We are checking that out. But, as I said in reply to the earlier question, there is a long tradition in this House neither to confirm nor deny when a police investigation is under way because it would be counter-productive to do so.

Mr. Knight: In view of the fact this issue is becoming very crucial for these five individuals, affecting their life style and their employment in a particular industry, will the minister make a statement on motions assuring that these individuals' civil rights will be protected, and explaining how this story was leaked to the press?

Mr. Allmand: Mr. Speaker, it seems to me, if their rights have been interfered with so far, that they have been interfered with by the publication of the story in the Calgary paper.

Some hon. Members: Hear, hear!

Mr. Allmand: We are going to try to find out how that story came about, and I hope to be ready to answer further questions on this matter. I will be appearing before the justice committee this afternoon on my estimates and I will try to provide further information. We have no intention of interfering with the civil liberties of these people.

Mr. Knight: You have already.

Mr. Allmand: No, we have not and, as I say, I cannot give any further information on the subject at this time.

INQUIRY AS TO EXISTENCE OF FILES ON CERTAIN NEWSPAPER REPORTERS ALLEGEDLY BEING INVESTIGATED BY ROYAL CANADIAN MOUNTED POLICE

Mr. Eldon M. Woolliams (Calgary North): As a further supplementary question, Mr. Speaker, in view of the kind of answer we are getting on this subject in order to cover up, would the minister now either confirm or deny that files are kept on members of the press in the same way as there are files on members of parliament and other people? Is there a file on these people in reference to the matter I raised this afternoon?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there could be files on certain members of the press if they have been involved in criminal offences or subversive activities. Again, there is a long standing tradition in this House, which has been followed by the hon. member's party as well as by this party, not to reveal whether there are files on individuals. In the same way, there has been a longstanding tradition not to confirm or deny when an investigation is under way. If we were to confirm that there was an investigation under way against certain individuals it would alert those individuals to the fact that the police were doing that, and consequently this would be counter-productive.

* * *

CRIMINAL CODE

POSSIBILITY OF AMENDMENT TO CLARIFY CONDITIONS UNDER WHICH ABORTION CAN TAKE PLACE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I wish to direct a question to the Minister of Justice. Now that both the Minister of Health for Ontario and the president-elect of the Canadian Medical Association have accused the minister of passing the buck on abortion, and have called upon him to introduce amendments to the Criminal Code that would remove the ambiguity surrounding the present law, is the minister prepared to introduce an amendment to the law that will clearly specify the terms under which abortion can take place?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the law which parliament did pass clearly put a certain responsibility on hospital committees to determine when abortions might be performed. I think I very accurately stated the view of parliament in indicating that this responsibility should be carried out. It was parliament's hope in passing that law that only a medical judgment, responsibly made, could intervene to say when an abortion might indeed be legal. Therefore I deny completely that this is any passing of the buck. It is a passing of a responsibility which parliament itself imposed on the hospital committees in 1969.

ABORTION—SUGGESTED WITHHOLDING OF MEDICARE FUNDS TO CORRECT ABUSES

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Health and Welfare. In view of statements published in last night's Toronto *Star*, made by doctors at Toronto area hospitals, including one doctor who had been a member of a hospital abortion committee, that rubberstamping of abortion requests takes place routinely, is the minister considering withholding money being provided under medicare to finance what are clearly non-therapeutic abortions, a practice that is contrary to the spirit and, according to the Minister of Justice, contrary to the letter of the present law passed by parliament?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sure the hon. member will recognize that the method of financing hospital insurance and medical care in this country would not allow me to use such a bludgeon against provincial governments or hospitals in particular.

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COMMUNICATIONS

CABLEVISION—REQUEST FOR EARLY APPROVAL OF APPLICATIONS TO IMPROVE RECEPTION IN MANITOBA

Mr. Jake Epp (Provencher): Mr. Speaker, I would like to direct a question to the Minister of Communications. Possibly he and I can communicate somewhat. In view of the fact that applications dating back to June, 1973, have been made to improve cable television reception in Manitoba by locating antennae in southeastern Manitoba and then utilizing microwave signals to improve reception, in Winnipeg, and in view of the fact that two hearings of the CRTC have already been held without the CRTC either accepting or rejecting an application, would the minister indicate when a decision on this application can be expected so that already existing television cable reception can be improved in Manitoba?

● (1540)

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I do not make the decisions for the CRTC, and neither do I make up their schedule. Surely they are making all possible efforts to get the best reception for Manitoba. There is a decision pending, but unless the hon. member gives me a few days to inquire I cannot tell him when the decision will be issued.

Mr. Epp: In view of the fact that CRTC hearings are scheduled for Winnipeg on May 14, and in view of the fact that no application can be heard without the CRTC calling for applications from interested parties and that so far the CRTC has not done this, would the minister undertake to impress upon the CRTC that it should ask for applications to extend cable television reception in Manitoba in order that applications may be made on behalf of areas where cable television reception, even at best, practically is non-existent or does not exist at all?

Mr. Speaker: Order. It seems to me that the hon. member's supplementary is more in the form of a representation, and he has to assume that it has been noted.

* * *

[*Translation*]

SOCIAL SECURITY

OLD AGE PENSIONS—INTENTION OF GOVERNMENT RESPECTING PAYMENT OF SAME AMOUNT TO ALL PERSONS

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to ask a question of the hon. Minister of National Health and Welfare.

Does the minister intend to do away with inquiries, in abolishing the guaranteed income supplement for all needy older persons and is he considering some legislative amendment so that each pensioner would receive the same pension, thus removing some injustices?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we have surely no intention of abolishing the guaranteed income supplement and of making monthly payments of $110 to all older persons. I will not therefore consider any such proposal.

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

Does the minister intend to amend the Old Age Security Act so that married couples will be entitled to maximum pension and supplement, just like married couples that separate to obtain those benefits?

Mr. Lalonde: Most plans in force throughout the world provide for married couples benefits which are slightly inferior to double those of single persons for the simple reason that their cost of living is less than double that of the single person. Once again, I do not foresee any such amendment in the near future.

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IMMIGRATION

INQUIRY WHETHER QUEBEC HAS MADE ITS POLICY KNOWN TO FEDERAL GOVERNMENT

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I direct my question to the hon. Minister of Manpower and Immigration.

Has Quebec communicated to the federal government, officially or unofficially, its orientation and policy for immigration, and are there discussions or negotiations on the matter between Quebec and Ottawa?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have been presented with the views of the government of Quebec through my counterpart, Mr. Bienvenue, on two occasions. They are not conclusive nor is the Quebec government seeking, in my opinion, immediate answers. They are, in my opinion, part of the ongoing process of examining immigration policies, but we will be responding to the minister in the future.

Mr. Speaker: The hon. member for Humber-St. George's-St. Barbe. Order, please. We have reached the end of the question period.

[*Translation*]

Perhaps the hon. member for Saint-Hyacinthe could ask his supplementary, and then I shall recognize the hon. member for Humber-St. George's-St. Barbe.

Mr. Wagner: I thank you, Mr. Speaker. I wish to ask a supplementary question of the Minister of Manpower and Immigration. Is he prepared to give the provinces, particularly Quebec which filed a request, the right to take part in the selection and recruiting of immigrants?

[*English*]

Mr. Andras: Mr. Speaker, this involves the degree to which that right is exercised. There are already co-opera-

tive arrangements with regard to these problems. We agree with Quebec and with the province of Ontario as to the participation of their representatives abroad, but in connection with the ultimate selection or rejection, that would have to be the subject of ongoing discussions and consultation.

* * *

SCIENCE AND TECHNOLOGY

OCEANOGRAPHIC STUDIES—INCLUSION OF POSSIBILITY OF TUNNEL OR CAUSEWAY TO BRING ELECTRICITY TO NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Science and Technology. In a recent announcement the minister indicated that a study of the Gulf of St. Lawrence would be included in the larger oceanographic studies that are being done. I wonder if she could now indicate, in view of the interest of the northern part of Newfoundland, if the terms of reference indicate a study of a crossing between Labrador and Newfoundland with a view to bringing electrical power across through a tunnel or causeway?

[*Translation*]

Hon. Jeanne Sauvé (Minister of State for Science and Technology): Mr. Speaker, I did not announce such a project because it is under review at the present time in the interdepartmental committee on oceans.

The project to which the hon. member referred to is a study of a rather fundamental nature. It would not deal with the practical matter he is interested in, namely the feasibility of laying an underwater cable under in the area he mentioned. However, this general review could be used as a reference in case it would be desirable to lay an underwater cable.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

INQUIRY AS TO FEASIBILITY STUDY OF CONSTRUCTION OF VEHICULAR TUNNEL BETWEEN LABRADOR AND NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion. In view of the answer just received, and in view of the consultation that is taking place on an inter-ministerial basis on such subjects as the Quebec-Labrador highway, the development of the Lower Churchill and the need for installing a cable between Labrador and Newfoundland, are any discussions taking place that go beyond just laying a cable on the bottom of the sea and take into consideration the construction of a vehicular tunnel or some kind of crossing?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, the government of Newfoundland some weeks ago submitted to my colleague, the Minister of Energy, Mines and Resources, and to me copies of a feasibility study with regard to the transmitting of power across the Strait of Belle Isle to Newfoundland. It was a very complex and technical document. It is my recollection that it contemplates a cable system rather than a tunnel but I would have to get some expert and technical advice before answering in detail.

Mr. Speaker: Order, please. The Chair indicated a moment ago that we have reached the end of the question period but I gather that the hon. Leader of the Opposition would like to ask a supplementary question. Perhaps by consent he should be recognized, after which the Chair will call orders of the day.

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ENERGY

ATHABASCA TAR SANDS—FEDERAL GOVERNMENT INTENTIONS WITH REGARD TO CONTROL OF RATE OF DEVELOPMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, it is not a supplementary but it is short and directed to the Minister of Energy, Mines and Resources. He has indicated that the tar sands cannot be developed at the rate that some quarters in the United States have indicated they would like. Is it the position of the government of Canada and of the minister that the federal government intends to regulate the rate at which the tar sands in Alberta could be developed under the auspices of the government of Alberta?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, sir. My purpose in saying so was not to create false expectations on the part of the United States that there would be a fast rate of development. We have, on a number of occasions in meetings with the Alberta government, emphasized again the development of this resource for the purpose of the Canadian market. They have given undertakings that in due course they would have full scale consultation on the oil sands. I think it is fair to say, because of other questions, we have not dealt with this but we look forward to having an early response from the government of Alberta on this question so that we can formulate our own expectations about oil sands development so that we can be sure, in turn, of adequate supplies of oil for Canadians.

Mr. Dick: Mr. Speaker, a point of order. In the last three weeks I have risen on eight days during the question period, to put a question to the Solicitor General, of which I have given him notice. I would appreciate it if you would consider giving recognition to this corner tomorrow. Thank you.

Mr. Speaker: Orders of the day:

GOVERNMENT ORDERS

[*English*]

VETERANS LAND ACT

AMENDMENT TO EXTEND DEADLINE FROM MARCH 31, 1974 TO MARCH 31, 1975

On the order:

Second reading and reference to the Standing Committee on Veterans Affairs of Bill C-17, to amend the Veterans Land Act.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Before we proceed with the second reading of Bill C-17 I think Your Honour would find that the proposal the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) was trying to make about an hour ago would now be agreed to by all parties, namely, that after second reading this bill be referred to a committee of the whole rather than to the Standing Committee.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved that Bill C-17, to amend the Veterans Land Act be read the second time and referred to committee of the whole House.

He said: Mr. Speaker, as I mentioned in my statement to the House last Tuesday, this measure to extend the new settlement operations of the Veterans Land Act for one year to March 31, 1975, is the result of the further consideration which, on March 12, I undertook to give to representations for an extension of the deadline. I have carefully studied all the relevant data and have come to the conclusion that a one-year extension would certainly be in the best interest of veterans.

As I mentioned in my remarks of March 12, this government and this Minister of Veterans Affairs will take second place to nobody in their interest in matters pertaining to veterans. We have always lived up to our commitments to veterans and we fully intend to continue doing so.

I should like to remind hon. members that the original purpose of the Veterans Land Act was to assist in the rehabilitation of veterans in the postwar period, following wartime active service, and to do so by helping them to settle on the land in rural or semi-rural areas as full or part-time farmers.

● (1550)

The intent of the legislation in these respects was clearly spelled out in the preamble to the act, and I think it is relevant to quote the following parts of the preamble:

'Whereas many men now serving in the active forces of Canada have recorded their desire to settle on land or engage in farming when hostilities cease, and it is desirable that suitably qualified veterans be encouraged to seek rehabilitation in the agricultural industry;

'And whereas part-time farming coupled with other employment is an increasingly important aspect of rural and semi-rural life in Canada;

'And whereas it is in the public interest as a measure of rehabilitation to assist in acquiring the ownership of farm homes by qualified veterans—'

[Mr. Speaker.]

In relation to the purpose of assisting to rehabilitate veterans in civilian life, hon. members know that every veteran has had at least 20 years to make his application, and most have had as long as 30 years. The other two alternative rehabilitation plans were concluded quite some time ago. I think it is clear that the orientation of the Veterans Land Act was directed principally to those veterans interested in agricultural utilization of farm land in rural and semi-rural areas. The financial provisions of the act were founded on this type of settlement, and I think we should not lose sight of those basic factors when we discuss the act.

When we look at some of the facts, we realize that in the eight fiscal years up to March, 1973, after the lending deadlines and revised loan ceilings were established in 1965, approximately 32,700 veterans were settled under the provisions of the act. In the majority of those eight years, the annual number of new establishments has been less than 5,000. In the current fiscal year, however, and more particularly in the last six months, there has been a significant increase in the number of loan applications. It is expected that the number of veterans who will have been settled this year will approximate 5,500—and there are a further 1,400 loan applications on hand awaiting appraisal.

It is in the light of this data as to comparative settlement activity and the increased interest which veterans have shown in the current fiscal year—due undoubtedly to recognition by them of the scheduled lending deadline—that I reached the conclusion an extension of one year would be appropriate. In our analysis of the facts, it became evident that some well-intentioned veterans would have been deprived of a right which they had so gallantly earned if the March '74 deadline had been final. It seems to me that when there is a reasonable doubt, we should not hesitate to decide in favour of the veterans. We must not forget that some years ago they did not hesitate when the survival of freedom was in doubt.

I believe, Mr. Speaker, this extension will provide many veterans with the opportunity to take advantage of a program which was designed for them. It should be made quite clear that we are not doing this as a favour to veterans but simply as a right which they have earned.

Mr. Paproski: It's about time.

Mr. Macdonald (Rosedale): Who said that?

Mr. Paproski: I did.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, since this bill is now before us it need not take too long to pass it because it does what the minister, a couple of days ago in his statement on motions, said it would do, that is, extend the expiry date of March 31, 1974 to March 31, 1975. Since time is of the essence, and since we are willing to co-operate, we propose to expedite passage of the bill through all stages before the week is out. To that end, we have agreed to give it second reading today and, together with the hon. member for Winnipeg North Centre (Mr. Knowles) and others, I should like to see this bill considered in Committee of the Whole and passed through all stages today, if possible.

The bill introduced today, Mr. Speaker, as I expressed to the House when replying to the statement on motions by the minister, is a narrow concession. It is given to us, I suppose, so that the government can say that it has complied with the motion we introduced on March 12. To me, however, this concession tells another story. The minister in his speech indicated that this extension was given as of right, that the government had reviewed all relevant factors and has extended the legislation for one more year. But that is not what he said when replying to our motion on March 12. Then, he said the extension was not warranted. That tells me that this concession is given, not because the extension is what thousands of veteran citizens have been demanding individually and through their organizations, not because the government wants to serve veterans, as is its duty, but because by granting it the government is fulfilling its selfish aim to govern, regardless of circumstances. What bothers me, and I say this seriously, is that this type of thing is allowed to go on in the hallowed halls of parliament.

I suppose we have proved one thing, that there is still some hope left for the parliamentary process. Using rules and procedures laid down by those who came long before us and, as a result of representations from a large segment of Canadian citizens, parliament brought about changes in legislation passed by previous governments, brought them about because of changing conditions, and for the benefit of those who made the representations. To set right the far out versions of those who profess to know what efforts have been made in changing what are considered to be inequities in the veterans land charter, let me put on record the motion under Standing Order 58 which I moved on behalf of my party on May 18, 1973. It will be worth while looking at some of the representations which were made in the House, for the benefit of the supposed experts who saw this in a different light. The motion reads:

That this House urges the government to introduce priority measures to remedy present injustices to war veterans and, in particular, to remove those inequities arising out of basic rates of disability and other pensions, treatment services, allowances, and the Veterans' Land Act.

Since then, periodically and continuously, I have asked questions, brought in motions, either individually or in collaboration with my colleague, the hon. member for Winnipeg North Centre and others of my party, in conformity with the rules and Standing Orders. My questions and motions had to do with action regarding the inequities in the Veterans Land Act. They are too numerous to repeat at this time. It is worth while mentioning that my party took every opportunity under the rules to bring up this matter. Since the minister kept evading the issue, and since we realized the extent of the emergency, we brought in a motion on January 11, just before the last recess, to adjourn the House.

On January 11 I said—and I shall read those words into the record, even though Your Honour made a ruling that day concerning my motion—as follows:

I ask leave to adjourn the House pursuant to Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the proposed phasing out of the Veterans Land Act by March 31, 1974, which will result in denying to over 100,000 veterans benefits available to them under the act, instead of increasing the maximum loan ceiling and reducing the lot requirements.

If you will forgive me, Mr. Speaker, I will read into the record part of your ruling. Your Honour said:

The subject proposed for discussion must be a new one in the nature of an emergency.

I thank Your Honour for the advice. I continue:

In this particular instance it is relevant to note that the problem has been raised on a number of occasions over a long period of time by a number of members . . .

In particular, may I refer to the hon. member for Edmonton West (Mr. Lambert), who has been an outstanding member of the Veterans Affairs Committee and is a former minister of veterans affairs. He, I and others have brought up this matter periodically. I continue:

The Standing Order also requires the Chair to take into account the possibility that the matter might be discussed on other occasions, or that there may be other opportunities for debate. As hon. members know, all of the seven days in the current supply period, which expires on March 31, are available now or would be available during March after a possible adjournment or prorogation. In addition, I think it is reasonable for the Chair to assume that other and additional opportunities for debate will be available in the month of March or before.

● (1600)

In view of the circumstances, the Chair has to rule that the proposed debate cannot take place today under the terms of Standing Order 26.

That was on January 11. I just want to emphasize that those who take the opportunity to twist the facts should follow what is going on before making far out proclamations. The first opportunity I had to make further representation was on March 12.

The other point I wish to make is to relate our efforts to our responsibility as members of parliament. The Progressive Conservative party has no exclusive channels of communication with veterans or veterans organizations. Every last member of this House of Commons knows that the vast majority of veterans want this date extended. They have received representations to this effect.

Every last veteran in this House knows that, while the extension of the March 1974 deadline fulfills part of the wishes of the veterans, the October 1968 deadline should be repealed. What is most important is that the loan ceilings must be raised, and the minimum lot requirements reduced, to allow the many thousands of veterans to take advantage of the deadline. This, every member also knows. The minister certainly knows because he is receiving many more letters than I, and I am receiving many. However, he was willing to agree to this narrow concession to his cabinet colleagues. I was going to call them the dirty dozen, but there must be more than that who make the decisions in cabinet.

When the minister appeared before the Standing Committee on Veterans Affairs last Wednesday, he indicated he was considering these factors. I wish to quote from the committee report. I asked, and I quote:

I want to ask the Minister, in his consideration of the extension of the March 1974 deadline, since it is consistent that the 1968 deadline be repealed, is consideration being given by his department to recommend through him to the government that this 1968 deadline be repealed?

MR. MACDONALD (CARDIGAN): We have considered this, Mr. Chairman.

MR. MARSHALL: With regard to the mortgage loan requirements, the maximum is $18,000, which everybody knows is not capable today of providing them with a lot and building a house. Is there any consideration being given to increasing the maximum loan ceiling?

MR. MACDONALD (CARDIGAN): This has also been under consideration.

MR. MARSHALL: Is there any consideration being given to reducing the lot requirements?

MR. MACDONALD (CARDIGAN): That is also under consideration.

The minister also told the committee that the whole matter was to be discussed the next day in cabinet. We all know the result. There was not one breath of concern or commitment to their responsibility, not one ounce of recognition of their colleagues, just a forelorn dedication to stay in power at all cost. This is a government without leadership or compassion and which disregards the needs of the people.

Watch what will happen when we pass this bill. Watch the next issue of *The Carrillon* which is produced by the Department of Veterans Affairs. I can see the headline now: Government agrees to extend Veterans Land Act deadline because of its concern for veterans. The people of Canada, will be told that, after considering all the factors, the minister did not mean it when he said an extension was not warranted and this is being done because of the government's sincere concern. The ridiculous thing about this whole matter is that the exercise does not accomplish anything other than deny the veteran something he wants, something for which he would commend the government, namely, an act that is consistent with Canada's housing policy. The continuance of this measure fills a needed service, that of looking after the housing needs of a wide segment of our population.

The staff administering the act will be in existence for many years to come. They are under-staffed and overworked because of the backlog of applications. Most important, they are frustrated because they have to give an explanation to veterans who do not have the difference between the $15,400 the act grants them and the cost of a lot or small holding, yet they get the blame. The annual report indicates the staff has been reduced from 535 to 494. The reason given is the phase-out. However, the real reason is that the staff is frustrated and discouraged because the restrictions on loan ceiling and lot requirements prevent them from helping the veterans.

In a newspaper the other day, the minister was quoted as saying he estimated that only 10,000 of the over 100,000 eligible would apply under the new extension and it would cost the government $50 million. Nothing could be further from the truth. He said the same thing last year, that only 10,000 would apply. We have reached the deadline and the minister says there will be another 10,000 applicants.

I do not blame the minister, but if his government were sincere, it would extend the deadline, increase the loan ceiling and many more veterans would be served. Where did the minister get the cost figure of $50 million? The annual report shows an administration cost of $11 million per year. It is reducing each year and $26 million is being collected each year in interest. Probably the $50 million he referred to is being charged against the $100 million demonstration program which the Minister of State for Urban Affairs (Mr. Basford) announced the other day. They can spend that amount, but they cannot lay out $50 million for housing for veterans. They want to cut that back.

There is no earthly reason for phasing out this act until every last veteran has been served. This should be the course of action for this government. They can do this because the administrative staff, to some degree, will be required for the next 25 years. However, I suppose we should be thankful for this small concession which will serve a good number of veterans. I am pleased that there is still some hope for the parliamentary process. The will of those we serve can be imposed upon the government even in spite of the greatest objections. I just want to repeat that after second reading, we agree to going into committee of the whole. The hon. member for Winnipeg North Centre indicated agreement to this procedure on a point of order. I am sure that can be done without introducing any amendments.

In conclusion, I wish to commend the minister on the job he is doing. I realize the difficulty in convincing the cabinet on the recommendations he places before them. I am sure if we could listen to what is said, we would hear the minister putting a good case for the veterans. Unfortunately, he is not with the right government.

Some hon. Members: Hear, hear!

Mr. Marshall: We are pleased to get this small concession. We will support anything which will get this bill through as quickly as possible. We want it passed before Friday. I do not want to say what I feel in my heart might happen if it goes beyond Friday.

● (1610)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when the minister concluded his speech this afternoon in which he called for the House to support this bill extending the deadline with respect to the Veterans' Land Act until March 31, 1975, he said this:

It should be made quite clear that we are not doing this as a favour to veterans but simply as a right which they have earned.

I am sure that all of us in this House appreciate the minister's putting it that way, and we underline and emphasize it just as strongly as we can. However, I am also sure the minister will not be surprised if some of us in all parties in this House feel that the right that the veterans have earned so far as the Veterans' Land Act is concerned includes more than that which is being granted in this bill.

Like the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), I say on behalf of this party that we do not want there to be any hiatus, any break at all. We want to see this legislation passed before tomorrow so that the March 31 deadline will be extended for one year. At the same time we regret that this bill, so simple and so narrow, fails to deal with a number of other issues that desperately require consideration so far as the Veterans' Land Act is concerned. Many of us have a great deal of correspondence with veterans, much of it regarding the Veterans' Land Act. My own has increased tremendously in the last few days. Much of it is with veterans who will not be covered by this change.

Mr. Lambert (Edmonton West): No, they are not covered; many are still in the services.

Mr. Knowles (Winnipeg North Centre): Many of them are still in the services and will not be able to seek a small holding until some time after March 31, 1975. Many of

them are veterans who did not obtain a qualification certificate prior to October 31, 1968. Their not doing so stems from a number of reasons. As a matter of fact, some of them—I think it is a particular shame that they are being denied this benefit—did not apply for a qualification certificate because they knew at that time that there was a March 31, 1974, deadline in the legislation, and so they thought there was no point in their applying for a qualification certificate.

Mr. Lambert (Edmonton West): There was no pressure on housing then.

Mr. Knowles (Winnipeg North Centre): As my hon. friend from Edmonton West says, the pressure on housing was not as great then as it is now. There are also many cases of veterans who understandably did not get the word that they had to get a certificate before October 31, 1968. I even have some cases of veterans who had written letters years before, which letters were not regarded as formal applications, and they are not now permitted to come under the provisions of this act.

There have been other instances. For example, there are a number of widows who have written to me. The ones I have in mind are widows who are themselves veterans and would normally have the rights of veterans, but somehow or other equality does not seem to exist in this area. Many widows who themselves are veterans are unable to take advantage of this legislation for one reason or another. It seems to me that that sort of thing ought to be cleared up.

As I said the other day when the minister announced that this legislation would come in, perhaps one of the main advantages of it is that it gives us another year in which to fight for these other improvements that are so important. If the granting of loans were to end as of this Sunday, our chances in the next few months of getting the act overhauled would not be very good. But since the Veterans' Land Act will still be an active piece of legislation for another year, perhaps in that year our efforts might be to some avail.

As the hon. member for Humber-St. George's-St. Barbe has pointed out on a number of occasions, this legislation also ought to be amended in regard to the amount of money available by way of a loan. After all, costs have soared, particularly the cost of land and the cost of building homes. In view of this, the grant available by way of loan under the Veterans' Land Act should be increased. Likewise the minimum size of lot requirement should be lowered. As the minister knows, this is a matter about which many veterans feel very strongly.

This leads me to the point that almost every time we make our pitch about the Veterans' Land Act the minister says that we have forgotten its original purpose, that we are trying to twist the purpose from its being legislation simply enabling people to go on land as farmers, small or what-have-you, to legislation that will enable veterans to secure land on which to establish a home for retirement. I accept that criticism, Mr. Speaker; the minister is perfectly right. Indeed, that is the very change that we are trying to make.

In support of my position I suggest a couple of points for consideration. Firstly, a few decades have gone by since most of these veterans served overseas. When they came back, getting a small holding for some do-it-yourself agriculture was something in which they were interested. They are now 25 or 30 or more years older, and do-it-yourself agriculture—

Mr. Lambert (Edmonton West): That is out of date now.

Mr. Knowles (Winnipeg North Centre): That is out of date now, says my "parliamentary secretary" from Edmonton West, who is giving me a great deal of help with this speech, and I appreciate it. The problem of these veterans today is the problem of finding a place to live during their years of retirement.

I remind the minister that this House of Commons expressed itself on this point unanimously on November 9, 1973. That was the day that I asked leave of the House under Standing Order 43 to move a motion which my hon. friend from Humber-St. George's-St. Barbe seconded. These were the words of that motion, as reported at page 7693 of *Hansard:*

> That this House requests that the Minister of Veterans Affairs give urgent consideration to the amending of the Veterans' Land Act regulations to permit veterans to acquire small holdings, even if the main purpose of most of the older veterans now applying for loans under the Veterans' Land Act is to meet their housing requirements, it being the view of this House that entitlement to a piece of this land ought to be the right of any veteran.

I plead guilty, Mr. Speaker, and most of the hon. members of this House will have to plead guilty, to the charge that we are trying to get the government to adapt the Veterans' Land Act to the needs of veterans today. What they need today is not just the opportunity to raise a few carrots. What they need today is an opportunity to get themselves homes in which they can live the latter years of their lives. I plead very strongly that this kind of an adjustment in the Department of Veterans Affairs toward the Veterans' Land Act ought to be made, and I urge again that the view expressed unanimously by this House ought to be taken into consideration.

● (1620)

I believe that between the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and myself we have spelled out the other things we ought to be doing at this time. We regret that the bill was drawn so narrowly that even the amendments we have in mind would probably be out of order if we tried to move them.

Certainly it is our view first that instead of an extension for only one year the extension ought to make it possible for any veteran who qualifies under the Veterans' Land Act to take advantage of that qualification as long as he lives and, in the second place, we think the amount of money available under the act should be increased and that the minimum lot requirements should be lowered.

I have already referred to the cases of widows who themselves are veterans and who are being denied the rights available to other veterans, and I also stress very strongly the point, and I think there will be others pressing this when we get into the Committee of the Whole on the bill, that the failure at this time to do anything about the cutoff date of October 31, 1968, works a real hardship and a real case of discrimination against many veterans. I

can see the technical problems involved in re-opening the act on a wholesale basis, but I am sure a way could be found to cope with the cases of many veterans who have a very justifiable grievance in not now being allowed a qualification certificate. These are the points we think ought to be covered.

We regret that the procedures of the House, and the fact that we have a Governor General's recommendation that is so narrow, will deny us the opportunity of moving the kind of amendment we would like to move, but I trust the minister realizes that we are giving him notice today that during the year of grace now granted we will be pressing for these things.

Perhaps at this time I might indicate that when we do get into the Committee of the Whole I have an amendment I shall be seeking to move, and in spite of all that we have said about amendments that would be out of order because they involve the expenditure of money, I believe this amendment is one that will be in order. It is lengthy and the language is legalistic and convoluted so I will not read it now, but I should like to indicate its purpose.

The purpose of my amendment is something like the purpose of a section of Chapter 29 of the statutes of last year, which was Bill C-192, which amended the Income Tax Act and provided certain tax reductions to corporations. Just the mention of that makes some of my friends think I am going to digress and talk about corporate tax rip-offs, but I will not do that at this time.

The fact is that in that act there is a provision under which 60 members, by signing a motion, can get a debate on a certain proposal, and the amendment I am going to present in the Committee of the Whole would add to this a clause under which if 20 members, anytime after September 30 this year, that is six months from now, were to present a motion calling for the terminal date to be reviewed it would be possible to have a debate on that motion and, if it were carried, the minister would be required to undertake such a review and report thereon to the House.

I should like to have drawn that motion in such a way that 20 members could sign such a motion and, if the House passed it, the extension beyond March 31, 1975, would be automatic. I realize I could not get away with that because it would involve the expenditure of money, but the amendment the way I have drawn it will have the effect of guaranteeing, sometime after six months have gone by, a debate on this issue, thus giving the House a chance to say to the Minister of Veterans Affairs (Mr. MacDonald) that we want a further extension to be considered.

As I say, I have that amendment drawn and ready. Since it does not involve directly the expenditure of money, and since it is within the ambit of this bill, I believe this amendment will be in order and I dare to hope that all parties in the House will accept it.

Let no veteran be misled into thinking that the passing of my amendment in itself guarantees a further extension beyond a year from now, but the passing of my amendment will guarantee the raising of this matter in the House sometime after September 30, 1974, and it will guarantee a debate and, if I know the mood of the House, it will guarantee that the motion will carry and the Minister of Veterans Affairs will be required four or five months before the end of the period, not just on the eve of it, to reconsider the whole matter.

[Mr. Knowles (Winnipeg North Centre).]

As I say, I shall move that amendment when we get into the Committee of the Whole. I believe the House will approve it and give its guarantee that there will be further debate on this issue this fall. In the meantime, as all of us will say during the debate today, we are not satisfied with this measure as it does not go far enough, but at least it lets a number of veterans in during the coming year and it keeps the legislation alive enabling us to fight another day for what, as the minister said, are rights under the Veterans Land Act which we believe veterans have earned.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the debates that have taken place lately were really very interesting since they have enabled us to see that the opposition can force a government to act.

The Minister of Veterans Affairs (Mr. MacDonald) introduced today a bill to amend the Veterans' Land Act, following pressures exerted by the opposition parties. Those pressures could have become serious for the government but until now they have been beneficial to them.

I was listening a while ago to the hon. member for Humber-St.George's-St. Barbe (Mr. Marshall) and the hon. member for Winnipeg North Centre (Mr. Knowles) who confessed the mistake they made when they asked for an extension of one year or more in the deadline concerning that legislation as they failed to require that extension to be beneficial first to the veterans. A few minutes ago, they almost accused themselves of that omission.

Indeed, Mr. Speaker, the object of this bill is to extend for one year the deadline of this legislation, but its modes of application remain the same. The maximum loan that may be granted to a veteran to enable him to buy a small holding of half an acre and a house is still $18,000.

Mr. Speaker, very important changes took place since that legislation was passed. At the beginning, it was believed that many veterans would settle down on the land and become full time farmers. At the end of the war, in 1945 or 1946, it was still a usual thing to take up a career in agriculture, but since that time, we know at what pace farmers have left their farms. It is obvious, Mr. Speaker, that veterans are not more interested in becoming farmers than those who abandoned the land.

It has been noted that it was also possible to purchase a piece of land and become what is called a part time farmer. So the idea is to provide shelter for the veteran and his family. In my opinion, such was the objection of that legislation. We realize today, especially during the past few months and weeks, how quickly the cost of construction materials is increasing.

● (1630)

Recently, while visiting home builders, I was told that the price of some materials such as plastic pipes, for example, had doubled. Last week, the price of nails went up from 6 to 7 cents a pound and copper pipes and tubes are also very expensive. If the price of gold had not increased so quickly, it would perhaps be easier to have

gold pipes. It has becomme as costly to use copper nowadays.

In such circumstances, Mr. Speaker, it is almost impossible to buy a lot and build a house for $18,000. Now, one thing or the other, the veteran must either deny himself the advantages of that legislation or do the utmost to find a second mortgage to make up the difference in order to get a satisfactory house which he urgently needs for himself and his family.

Mr. Speaker, I think it would have been much more important to introduce an amendment raising the ceiling of loans granted to veterans than to present one extending the expiry date of the legislation. If the time during which a veteran may avail himself of that act is extended even by another 12 months and the ceiling of the loan is not increased this act will remain almost inoperative for veterans.

In urban areas it is of course impossible to consider finding half acre or 17,424 square foot lots. So one must turn to rural areas, to towns, because it is almost unthinkable to find a lot of that size elsewhere. One must of course go to a rural area.

To develop a lot in a rural area costs more than in urban areas because in urban areas the development is done collectively whereas in rural areas the veteran or the owner himself must set up the facilities for his house, that is find sources of drinkable water that cost quite a lot and build sewers.

Mr. Speaker, even in rural areas building a house, buying a lot and setting up the required facilities has become an absolutely unthinkable project. A while ago I listened carefully to the hon. member for Winnipeg North Centre say by what feat of strength he would bring this government to increase the loan ceiling.

Mr. Speaker, when hon. members must make such pirouettes to be able to meet the needs of their constituents or veterans I think things have gone quite far. The minister is wise enough to convince this government not to wait for the steps announced earlier by the hon. member for Winnipeg North Centre. He will show leadership by introducing the necessary amendments to the Veterans' Land Act to increase the loan ceiling for veterans so they may own a house and a piece of land.

In closing, Mr. Speaker, I give my support and that of my party, so that we might proceed with all stages of this bill, that is second reading, study in committee of the House and even third reading, that it might be passed at the latest tomorrow.

We trust that, in the course of those discussions, the minister will allow himself to be convinced of introducing the amendments required to meet fully the needs of the veterans.

[*English*]

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

The Chairman: Order, please. The discussion is on clause one.

On Clause 1—*Terminal dates for sale advance, loan or grant.*

Mr. Lambert (Edmonton West): Mr. Chairman, I do not want to traverse the very valid arguments put forward by hon. members on this side of the House and by the representative of the Social Credit Party. I do want to consider now, however, one or two matters within the legislation itself. First of all, may I say I think the minister has erred, perhaps on the side of caution, or has been directed to err on the side of caution in that the bill specifies that merely the period for receiving applications shall be extended one year. If such applications are accepted, they are still faced with the restrictions on the disbursements as applicable in section 31 (3) (b) of the act.

● (1640)

I would have thought the minister would have moved to give these people the same sort of extension for disbursement, the same privileges. It may be that I am under a misapprehension in this connection and, if so, I am quite willing to be corrected by the minister. However, I do want to make the particular point that I think the extension of the period for receiving the application should be accompanied by extension of the period at which the last disbursements can be made, as provided for under the act. At present, we know that under section 31(3) there are deadlines on the disbursements. The section reads:

> Where an agreement to make an advance, loan or grant has been entered into by the Director for the purpose of financing construction of a building or other improvement on land, no such advance, loan or grant shall be paid to or on behalf of the veteran unless, in the opinion of the Director, the construction or improvement has been commenced.
>
> (a) in the case of an advance, loan or grant an application for which could not be accepted after the 31st day of March 1974—

Which is now the 31st day of March 1975.

> —on or before the 31st day of March 1975,—

Which is now the 31st day of March 1976 since there has been an extension. But why has there not been an extension in the case of an advance loan or grant, an application for which could not be accepted after the 31st day of March 1977, on or before the 31st day of March, 1978? Why was there not a change made in that particular regard? The minister may be able to supply me with an answer. I would have thought that a parallel change should have been made in that clause.

The second point I would like to make, and this is one to which reference was made both by my colleague, the hon. member for Humber-St. George's-St. Barbe and the hon. member for Winnipeg North Centre—and here I will alter my resolve not to traverse their arguments—is to deal with the argument that I seem to be receiving ad nauseum from the minister and his predecessors with regard to changes in the Veterans Land Act. I am on record, so far as my correspondence is concerned for three or four years, in regard to this particular point.

The point I wish to make is that this is not housing legislation; it is not legislation to provide housing for veterans who are now retiring but the legislation was for veterans on their retirement from the armed services or their release from the armed services and for their rehabilitation. Will the minister not agree with me that a member of the armed forces who has continued to this day in the armed forces and has not got a permanent home, has been subject to moves as his superiors saw fit, as he was during the war, and is now retiring from the armed ser-

vices, has to be rehabilitated with regard to housing in the same way that I was when I got out of the armed services, albeit in 1945-46? His requirement for permanent housing, his entitlement to it, and that is the entitlement of a veteran, is fundamental to the undertaking given by this country to veterans under the veterans charter. That undertaking has not varied one iota and the veteran is entitled to housing for his rehabilitation.

I am not using the word "rehabilitation", in the pejorative sense, as though the veteran had been in a condition that was less than desirable in the sense of a man who has been undergoing punishment and is now being restored to civilian status. It is used in the sense of a veteran who is retiring from the defence forces and is to be habilitated. Surely, his need today is as great as it was from 1945 to 1950. Why was this done from 1945 to 1950? Because there was such a dearth of housing, such a demand for housing, and it was known that the veteran did not have too much cash, so could not meet the market prices of that day.

I invite the minister to cast his mind back to those days because he and I were going through pretty well the same sort of problems, I believe. Certainly, during that period I had this problem. I elected for another option that was open to me, not with regard to housing. Today, we see the veteran who wants to establish himself in civilian life with his family, and what has he got? Certainly not the so-called marginal come-potter-in-the-garden type of agricultural activity that might be carried on in what is known as the Veterans Land Act holding. Beside that, where can he get those lots today, where can they be found?

Since the advances under the Veterans Land Act have to come under some of the same regulations as under CMHC, and there are some very specific stipulations as to such utilities as water and sewers, one cannot go, as we did after world war II, to establish on these strip or ribbon developments in semi-rural areas. So, the veteran today is faced with fantastically escalated land prices. If we say that he has to take the minimum acreage specified under the act, less, in some specific cases, a percentage thereof, he must be almost a millionaire to be able to afford land at that value. I suggest to the minister that that land in an urban context is greater in value than the maximum mortgage allowed under the act. But leaving that aside, let the minister see if he can find a house which would meet all the other requirements.

There are some cases that I have seen where, on a real bargain purchase, the veteran would have been required to put in as cash equity more than he receives under the mortgage. It was a $35,000 property. I ask the minister to find out just what can be purchased for $35,000 today, with an effective maximum mortgage of $15,400 under the act. This means that close to $20,000 in financing has to be arranged elsewhere, usually in cash, because if the director of the VLA Act knows a veteran is going to secure a second mortgage that is usually the end of his application. Changes like this must be made. I know that my colleague would have wished to put forward an amendment, about which he will speak later, stipulating that all these matters be brought under review at a later date within the period of this extension.

[Mr. Lambert (Edmonton West).]

● (1650)

I have had an opportunity to examine the amendment announced by the hon. member for Winnipeg North Centre and am quite satisfied with it. I wholeheartedly endorse the nature of the amendment, and hope that the bill will receive passage today. I would not want it to go to committee where it could be held up until some time next week, causing further problems.

Mr. Peters: Mr. Chairman, it is unfortunate that the original attempt by the hon. member for Humber-St. George's-St. Barbe, which resulted in this bill, did not embrace the changes that have been outlined by hon. members in other parts of the House. I firmly believe that there has been a major change in the thinking of veterans, of members of the Veterans Affairs Committee, and of the general public in regard to this legislation since the time it was introduced in 1967. At that time we were all of the opinion that the VLA Act, as we knew it, would be phased out, and that this would not be opposed by veterans and their organizations. As a matter of fact it was not opposed by a former minister of veterans affairs who spoke just prior to me. Neither was it opposed by most of the rest of us who were on the standing committee.

As you may remember, Mr. Chairman, in those days changes were being made in the VLA Act which resulted in that act being used to test a system of rural financing that later developed into the Farm Credit Corporation. Up until that time we had the Farm Loan Board, a disgraceful organization, which became completely discredited in the farming community. When the Veterans Land Act was extended to provide assistance to veterans in becoming established farmers, its provisions were so much superior to our other farm legislation that it became the criterion against which all other legislation was measured. I am certain that in so far as its small holdings provisions are concerned it is a model that should be adopted for our national housing legislation.

The main criterion was that the veteran could be established on a piece of land that met his requirements, and in such a way that permanency was guaranteed. In return for permanency, the veteran was given a number of advantages. If we extended that principle to CMHC, the only people who would build houses with the assistance of government money would be those who actually wanted to live in them. Instead, CMHC has lent money all over the country to speculators, to building contractors, and to all sorts of people not interested in occupying the houses themselves. It has lent money to people interested in building houses solely for speculation and for resale.

Somewhat the same system existed in farm land mortgages before the Veterans Land Act came into being, and as a result of the experience gained with it we took most of the officials connected with VLA and put them into the Farm Credit Corporation which became patterned on the VLA. But we did not do this with CMHC. We should have learned our lesson. It is for this reason that I think the country in general should support the extension of the small holdings legislation, and that the provisions of that legislation should also be applied to housing in general, so that the person building a house in return for tenure of

occupancy can benefit from a reduced interest rate. May I call it five o'clock, Mr. Chairman?

The Chairman: In order to permit the House to proceed to the consideration of private members' business, I do now leave the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. Before recognizing the Minister of Energy, Mines and Resources in accordance with an agreement reached earlier today, may I advise the House, pursuant to Standing Order 40, that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Egmont (Mr. MacDonald)—Manpower—Opportunities for Youth Projects—Nature of consultation of priorities—Reason for discontinuance of constituency advisory groups; the hon. member for Meadow Lake (Mr. Nesdoly)—Grain—Feed Grain—Policy respecting marketing; the hon. member for Swift Current-Maple Creek (Mr. Hamilton)—Grain—Responsibility for allocation of railway cars—Declaration of certain branch lines as inoperative because of snow conditions.

Earlier today it was suggested that the House would revert to motions at this time.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

TABLING OF COPY OF TELEX MESSAGE SENT TO OIL COMPANIES REGARDING PRICE RESTRAINT

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, may I express thanks to the House for its courtesy in permitting me to revert to motions to lay on the Table of the House a copy of a telex I have sent today to the oil companies with respect to restraint in their prices until May 15.

* * *

● (1700)

WAYS AND MEANS

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

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, may I also, in accordance with section (1) of Standing Order 60, table notice of ways and means. Pursuant to section (2) of Standing Order 60, may I request you to designate an order of the day for consideration tomorrow of this notice of ways and means.

Mr. Deputy Speaker: Order, please. It being after five o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notice of motions (papers), private bills and public bills. As there are no motions for papers the House will proceed to private bills.

PRIVATE BILLS

[*English*]

EASTERN CANADA SYNOD OF THE LUTHERAN CHURCH

Mr. S. Victor Railton (Welland) moved that Bill C-264 respecting the Eastern Canada Synod of the Lutheran Church of America, as reported (without amendment) from the Standing Committee on Miscellaneous Private Bills and standing orders, be concurred in.

Motion agreed to.

Mr. Railton moved that the bill be read the third time and do pass.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

RURAL AIRPORT DEVELOPMENT ADVISORY COMMITTEE ACT

MEASURE TO ESTABLISH COMMITTEE

Mr. Frank Howard (Skeena) moved that Bill C-102, respecting the establishment of Rural Airport Development Advisory Committees, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, the action just taken with respect to the preceding bill probably should apply to this one as well, and if the House would extend that generosity I would be glad to sit down. However, I think that probably would not be the case.

A policy has existed within the Department of Transport for a long period of time to make grants in aid of airport development to municipalities which have airports or airstrips. The standard amount of annual allocation for a number of years has been $2 million, except for 1972 when it was increased to $3 million for that year only. Because the then minister of transport had his eye on an election in 1972 we thought that the extra million was to be applied in areas where it might do the most political good, but the amount has been cut back to $2 million and has remained there. At any given time the department has probably 60 or 70 applications for $2 million, but the

amount does not go very far when spread over the multiplicity of municipally operated airports in Canada. As a matter of policy, the department tends to deal with this money in grant form on the basis of an individual airport or airstrip run by the municipality. It has no concept of policy in regional matters, or area or distribution of airport and airstrips that are linked because of the economics or the methods of communication and transport between those communities.

Since the first decision was made to establish such a grant system for municipally operated airports to get them over a hurdle in providing a modicum of facility of air transport to smaller communities, the whole area of transport has changed tremendously. There is a great deal of mobility and an increase in the number of aircraft serving smaller communities for a whole range of purposes, some of them economic such as flights into mining and prospecting areas, lumber areas, railway and road development areas, recreational flights for hunting, fishing and guiding, sight seeing and transport or social community purposes.

In my own province air transportation is common from one community to another, and most people do not think of using any other means of transport than aircraft which carry five or six passengers. Departmental policy has not kept pace with the change in air transport activity in rural areas and thinly populated areas. It is as if we were still relying on the horse and sled rather than on aircraft for transportation between communities. In the development that has taken place there has not been any great demonstration of friendliness by the Department of Transport toward air transportation. Most people think that the facilities available from the Department of Transport are a kind of accidental happening, and we in northern British Columbia do not feel that we get the type of consideration and friendliness from the department that we should.

The bill that I have drafted is not as complete as it would be if it had been introduced by the government. We all know the restrictions of the law and the rules of the House which say that a private member cannot introduce a bill which seeks to spend public funds, so within the bill there is no mechanism to pay expense allowances or to spend public money. To that extent it is not as full as it might have been as a government bill, but the essence is there and the feeling of what I think is needed is there.

The bill seeks to establish a Rural Airport Development Advisory Committee to which would be appointed members from municipalities and regional districts within which the committee is established. It is very loosely worded because, depending on the desire of the people, different things will be required. The purpose and intent of the advisory committee is to advise the minister, as is set out in clause 5 of the bill, on all aspects of airports that are or need to be established within the region for which the committee is established, including:

(a) improvements, maintenance, or extensions of runways,

(b) the location of new airports,

(c) the need for financial support for airports, and . . .

● (1710)

The committee may advise on such things as navigational aids, terminal building facilities and the like, and other facilities which are companion to an airport itself. The committee would have these powers in order that it, as the representative of the region concerned, shall have some input into the decision making process. In this way it might exercise influence before grants are made, as decisions with respect to grants are made on criteria which I have not had a chance to discover. In those cases, the decision is made probably by regional departmental officials of the Department of Transport, or the air section of it. They do not have enough money to operate with, but that is another story. Their decision is not made primarily on the basis of the needs of the community or area.

This bill is designed to counterbalance that lack. It will enable regions, communities and areas to choose people who are to sit on the committee and who can say to the Minister of Transport or his delegated officials, "Look, this is the way it is here; these are the needs, these are the requirements, and here are our recommendations." The committee can look ahead, and say that, in view of economic development that is likely to take place in a certain area or community in several years, we need to develop transport facilities for carrying people and goods in and out. It can say, "Here is a development plan for an airport." Such plans can be integrated with other federal plans.

To be more specific, in northern B.C. we have a vast number of rural airports, airstrips, many of them in farmers' fields. Once I landed at a facility provided by a fellow who ran a small farm. He erected some pilons or beacons; they were not mechanical or electrical, merely enough to guide the pilot and enable him to land in the farmer's field. We landed in the stubble. That was the airstrip available to us. There are many such airstrips in northern B.C. Generally, they are little more than gravel strips, small, short airstrips, and not the traditional level concrete or asphalt runways which most Canadians associate with airports, such as in Montreal or Vancouver. The airfield at Kamloops is a masterpiece of airport development compared with some of our airstrips in northern British Columbia.

These small, minimum facility type of airstrips are not satisfactory, as only a limited number of aircraft types can use them. For instance, an aircraft like the Convair, which can carry between 40 and 50 passengers and a considerable amount of freight, either with or without passengers, cannot use these primitive airstrips. The Convair, to a country boy like myself who is used to travelling in the Norseman, appears to be a pretty big and sophisticated aircraft. Department of Transport restrictions prevent aircraft of the Convair type from landing on these gravel strips, even though the use of that aircraft type would be justified in certain communities which need to move people and freight in and out of the area.

In the eastern portion of the riding of Skeena three communities, Fort St. James, Vanderhoof and Burns Lake thought that it would be advantageous if they could establish an air carrier service between that region and Vancouver. A service like that would allow the people of that community to fly directly to Vancouver without making a long trip by road or using, in some cases, jets operated by CP Air or PWA. On May 18 last year these three municipalities combined together and presented a trimunicipal brief to the minister. They talked about region-

al needs of the Fort St. James, Vanderhoof and Burns Lake area and said that the three communities of the region should be served by an air carrier who would connect the people of the region with Vancouver and other areas. They requested assistance under the municipal grants program, on the basis that one air field would serve three communities, because, although each community faced different problems, the over-all situation was the same.

That application—that is what it was—was rejected. I discovered, after phoning the regional air people in Vancouver today, that it was rejected because the department could not conceive of a grant for one airstrip to serve three communities. The wider concept of an airstrip to serve communities which want to co-operate was beyond the grasp of the department. They said, "No, sir, this is an abortive attempt, and out it goes. We are not going to accept it". The three municipalities which wanted to do something together for the region found themselves back, as the saying goes, on square one. They had to start all over again.

The area of which I am speaking encompasses in the neighbourhood of 25,000 square miles of British Columbia. The three municipalities concerned had wanted to put their heads together. They came up with the figure of $625,000 for building one airport. They felt that if the suggestion had been heeded, the opportunity for communicating directly with other communities, particularly Vancouver, would have been enhanced. It would have been easier to move goods and people in and out, particularly to Vancouver.

Let me take a few more moments, if they are available, to me, Mr. Speaker, to convince hon. members, many of whom I am sure do not need convincing, why it will be desirable to send this bill to committee, where it can be examined at greater leisure than is possible at this time. Fort St. James was simply interested in seeing that the economic needs of the people who live in and around the area year in and year out are met. For example, the request made in connection with the airport simply involved the removal of stumps, not from the runway but from the proposed extension; the grading of the proposed extension; the putting of gravel on the 5,000 foot by 150 foot wide runway; the installation of non-directional beacons, as well as weather and radio facilities. In addition the request was made for the completion of terminal facilities and for hard surfacing the 5,000 foot by 150 foot runway.

● (1720)

I wish to deal with the completion of terminal facilities for the benefit of those people who have only had the experience when travelling by aircraft of walking through air conditioned or heated terminals and companionways into a DC-8 or something of that nature. They will not fully appreciate the prospect of standing in zero weather with the wind blowing and no radio facilities to help you determine if and when the plane will arrive. I found from experience that standing in cold weather has quite an effect on the functioning of the kidneys. Many places in northern British Columbia do not have full terminal facilities and it is necessary to cope with this problem. All these communities are asking for are the normal, everyday facilities that are available everywhere except in small airports operated in conjunction with municipalities.

Vanderhoof is a distinct case in point. That municipality has been maintaining a military establishment for the past 28 years. The airport was developed during World War II. I do not know whether it was the Department of National Defence or the Department of Transport which prevailed upon the village of Vanderhoof to take over that airport. The runway is 5,600 feet. It needs hard surfacing.

The Acting Speaker (Mr. Boulanger): Order. I regret to interrupt the hon. member, but his time has expired. He can continue only with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Howard: I wish to thank hon. members. My timing was not as accurate as it should have been. I have mentioned the needs of Vanderhoof. Burns Lake has similar needs, but of a slightly different nature. You can put them all together and the package is the same. These communities are disadvantaged by the department's policy of making grants to municipalities. I hope my bill will be used as a mechanism to expand that concept and enlarge the vision of the department and this government regarding rural areas.

Mr. S. Victor Railton (Welland): Mr. Speaker, I wish to compliment the hon. member for Skeena (Mr. Howard) on trying to introduce legislation to upgrade and enhance the aviation facilities of Canada, particularly in his own area in British Columbia. I must say he shows a great deal of knowledge of the air transport needs of that province and a great deal of knowledge about the needs of remote communities which would be fulfilled by the adoption of this very idea.

Although I said he is to be congratulated, I do not think this House should be worried about his good intentions. In my opinion, the bill is somewhat redundant. I believe we have adequate legislation and planning mechanisms to cover the concerns expressed in Bill C-102. There does not seem to be any need to unduly delay the urgent business of this House with this type of legislation.

The National Community Airports Assistance Program introduced by the government in 1971 is already paying handsome dividends. The budget for this program has been increased 100 per cent from a budget of $1 million to $2 million annually. The numerous airports which have received assistance through this dispensation have reaped dividends in many respects. For some communities, upgraded air facilities have acted as a boon to business and the tourist industry. For others, a new or resurfaced runway has encouraged settlement of a remote area and promoted social and economic exchanges with other settlements. In this fashion Canada overcomes the vastness of its geography and its peculiar demographic characteristics by uniting our remote or sparsely populated regions with our growing urban areas.

The criteria for assistance have been determined on two levels. Under the assistance policy program, airports are grouped into two categories, national and community. This distinction properly reflects the responsibility for

their operation and development. Airports in the national category are classified as primary, secondary, Arctic or satellite airports. Community airports are classified as feeder, local industrial, intermediate local, small local or remote, depending upon their traffic index which is determined by a formula involving a whole panoply of factors which I will not elaborate upon at this time.

I wish to digress for a moment and speak about my district airport. It is called the Niagara District Airport. It is situated half way between St. Catharines and Niagara-on-the-Lake. It has triangular landing strips. The main strip is 5,000 feet in length. In addition, there is some hanger space. It is now operated by a private firm which keeps its planes there. There is a new control tower. If I am not mistaken, it is being considered by the Department of Transport for an instrument landing system. To make the proper use of this airport, the commission administering it wishes to have an additional 1,000 feet added to the runway. This would make the runway 6,000 feet long. Nowadays many types of jet planes require a runway of at least 5,000 to 6,000 feet in view of their rapid landing speeds of around 150 knots. In bad weather or with severe winds it is a little difficult to set a plane down with less than this length of runway.

● (1730)

The main reason for this local airport wanting the extra 1,000 feet is that just across the Niagara River lies Niagara Falls, New York, the centre of a large air charter business. A great many people from as far west as London, Ontario, from all over the Niagara peninsula, Brantford, Kitchener, Toronto and Hamilton are attracted to that city to take a charter flight, particularly to Florida or the Bahamas. The request of the Niagara Falls airport commission has already been forwarded to the Department of Transport, and I have endorsed it, as have two hon. members opposite whose ridings are in the neighbouring area. With the extra 1,000 feet of runway, charter flights using, say, 737s and that kind of aircraft could start at Toronto or Windsor and touch down at the Niagara district airport near St. Catharines to pick up people from the area; in other words, round off a beautiful flight. There is a great deal of business there for air charter companies.

Later, the commission hopes to take advantage of the interurban STOL program that is developing. It has not yet commenced to any extent in this country; I do not think the service between Ottawa and Montreal is yet in operation, but it is something for the future. In other words, there is a very great need in many communities such as those referred to by the hon. member for Skeena. They are forward-looking communities with airports and have a lot going for them. Eventually they will need a great deal of assistance.

The annual increase in the amount of money for this purpose from $1 to $2 million will make it possible to help a great number of airports deserving assistance, which previously was not the case. In the long run it will benefit municipalities and the aviation industry. I think the application made by the Niagara Falls airport commission outlines this very well.

The implementation of this policy of assistance has encouraged municipalities to continue the operation of

[Mr. Railton.]

national, secondary airports. It has also encouraged greater participation of others in the financing of airports. This has been in keeping with the government's objective that the cost of such facilities should be borne, to the greatest extent practicable, by the users and other direct beneficiaries of the facilities. The support that the government has received in response to its program of assistance for municipal airports has been most encouraging.

I cannot imagine, Mr. Speaker, that Bill C-102 could possibly enhance the program within the specific context of the program as presently applied. A bill with such wide terms of reference would serve only to confuse priority planning which is already underway and would relegate to limbo, in my opinion, many worth-while and urgent requirements. While there can be no question that the transportation challenges that face us in Canada are very severe and require energy and imagination, there is no point in replacing existing structures indiscriminately until we have established our long-term objectives. Only then can we determine accurately the types of management mechanisms and legislative frameworks with which we can successfully and comfortably operate our sensitively balanced transportation system. It is very important to realize that these matters are under study, and how fast we develop various areas really depends upon traffic requirements. In the past we have impulsively leapt at short-term solutions and hoped that they would serve as long-term blessings; but much to our chagrin the one-day wonders turned into multi-year blunders. I am not here to dwell on the nightmares of the past. After all, the resiliency with which Canada has fought back from adversity with renewed vigour has made us the envy of industrialized nations. We have had outstanding achievements in many fields, not the least of which is transportation.

The question of airports has always been a sensitive though vital area of concern in Canada. Our dependence upon aviation may be greater, at least on a per capita basis, than that of any other country. There can be no doubt that, notwithstanding the prophets of doom and the exponents of the status quo, aviation planning in Canada has been remarkably responsive to our economic needs and has ensured that disparate points of view and life styles have not been entrenched due to isolation. Lines of communication and channels of commerce have remained open, due largely to the efficiency of our aviation planning, and have bound this nation together when skeptics felt that such efforts were futile, or at least unpromising—something like the national dream. One has only to look back to the days when Dorval and Malton airports were attached as being located too far from Montreal and Toronto, their respective city cores. However, today these same wailers are complaining about airport infringement on the seams of urban expansion.

It is an irony of our times that we cannot satisfy people even when presented with only two possible choices. The hue and cry over Mirabel and Pickering in our two largest cities will one day be replaced by another brand of criticism—hindsight bemoaning too little instead of too much. It would appear that many communities do not plan or foresee the aviation vacuum caused by relentless economic expansion and its concomitant transfusion of people from rural to urban communities.

Coupled with a healthy immigration figure and natural propagation—we still have some of that in Canada—Canada's transportation needs become all the more pressing. The sudden emergence of industrial or mining-oriented settlements at the source of natural mineral discoveries compels us to act quickly and decisively to accommodate manifold needs that can only be fulfilled by transportation. By the same token, we have smaller, more established communities anxiously waiting—I agree with the hon. member for Skeena that there are plenty of them—to attain levels of economic growth that can only be reached by the provision of greatly improved transportation facilities.

I hasten to add that, although myopia has characterized much community transportation planning in the past, it is no longer prevalent. In fact, one of the main factors contributing to the success of our community airports assistance program has been the initiative shown by the municipalities which have requested aid. Their enterprise has been all the more commendable because of the manner in which they have harnessed support from a broad spectrum of local interest groups. I would again refer hon. members to my example of the Niagara Falls airport commission: they are very anxious to do this for their community. This type of positive reaction adds impetus to assistance programs of this kind. Without the co-operation and enthusiasm of the public, transportation planning and development would operate in a calamitous cocoon of ineptitude which would negate all our past successes.

● (1740)

We are very fortunate in Canada to have been able to promote and foster economic growth in transportation networks without upsetting our traditional approach of giving private enterprise as much rein and scope for initiative as possible. Programs such as the one under discussion today are thriving, not only because of this blend in purpose between various levels of government but because of the collaboration and valuable contributions of our private sector.

Finally, I will reiterate the thrust of my remarks today as follows. Our aviation planning does not suffer from the miasma of some other areas of government concern. We would do well to devote our legislative expertise to far more serious problem which face us as a nation.

Mr. Howard: Mr. Speaker, before the hon. member resumes his seat would he permit a question?

Mr. Railton: Certainly.

Mr. Howard: The hon. gentleman made reference to an allocation of funds that has been increased from $1 million to $2 million. Would the hon. member mind telling me what he is referring to that was so increased, and when it was increased, because the contribution to assist the establishment of or to improve local airports and related facilities—which is what we are talking about—has remained static at $2 million for a long time, except in 1972 when it was $3 million. I am wondering if we are talking about different things.

Rural Airport Development Advisory Committee

Mr. Railton: I think the budget for 1974 contains reference to the national community airports assistance program.

Mr. Howard: Which has nothing to do with the bill under discussion.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, first I should like to compliment the hon. member for Skeena (Mr. Howard) for his sincere interest in Canadian aviation. He went to great lengths to outline some of the problems in British Columbia and we who realize the vastness of that province and some of its transportation difficulties appreciate his point of view.

In my region of eastern Ontario we have made considerable strides in the field of aviation. In my own community the local municipalities co-operated in the purchase of what is today the Pembroke and area airport. Each municipality that contributed money toward the purchase of that airport has the right each year to appoint people to the Pembroke and area airport commission. I think this bears a very close relationship to what the hon. member was suggesting.

The Pembroke and area airport commission has been very effective in bringing forth views on the needs and requirements of air transportation and passenger service throughout our local region of eastern Ontario.

As I listened to the hon. member for Skeena list various communities in British Columbia, I could not help thinking that in eastern Ontario—Ottawa, of course, being the central point—we have considerable input in air services to all parts of Canada and throughout the world. We also have aviation facilities at Carp and Arnprior. There is a sod airstrip near the town of Renfrew and we have the Pembroke and area airport which, incidentally, has a daily flight from the region to the city of Toronto.

Mr. Baker: Run by an enterprising Conservative.

Mr. Hopkins: In reply to the hon. member for Grenville-Carleton (Mr. Baker), the man who started that airline was more successful in running it than he was in running against me in the election campaign of 1968, and I say that with all humility, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Oh, yes, and your humility stands out.

Mr. Baker: That is characteristic.

Mr. Hopkins: Pem-Air has been a very successful and useful transportation facility in our area. I was going to say that it replaced one that was not so successful. In that operation the company was operating a flight from Montreal to Ottawa, to Pembroke, Peterborough and Toronto, but the Montreal to Pembroke run proved to be a financial loss and as a result the company backed out of it. The new airline at the Pembroke and area airport is operating successfully and last year carried 10,000 passengers. Hon. members can understand that it is a very useful feeder line to other airlines operating from the city of Toronto, and at the same time it provides fast transportation ser-

vice over the approximately 260 miles from that region of eastern Ontario to Toronto.

The world famous inventor Alexander Graham Bell cabled the London *Times* as follows:

First flight of a flying machine in Canada occurred here today when Mr. Douglas Mcurdy, native of Baddeck, Nova Scotia, flew a distance of about one-half mile at an elevation of about thirty feet above the ice of Baddeck Bay in an aeroplane of his own design named the Silver Dart.

Since that time Canadians have been interested in aviation. That cable was sent on February 23, 1909, and since then Canada has not only been a pioneer in the development of aviation; it has been a pioneer in the use of aviation. The upcoming STOL service which will operate between Montreal and Ottawa is a good illustration of our progress in both these areas. Incidentally, I am told that the STOL service will get under way early this June.

I should like to make one comment about the Silver Dart. The arena to which I take my son on Saturday mornings to play hockey, located on the Canadian forces base at Petawawa, is called the Silver Dart arena because shortly after the flight about which I spoke the Silver Dart was shipped to Petawawa. My father-in-law, who was working on the Canadian forces base at the time, transported the various parts of the Silver Dart from the railway station to the base and a flight of the airplane took place there. Anyone driving through Petawawa today will see a cairn on the right-hand side of Highway 17, just past the gate to the base, which outlines the history and activities of the Silver Dart.

● (1750)

So we in Renfrew county feel we have considerable relationship with the people of Nova Scotia where the first flight of the Silver Dart took place.

As I mentioned at the outset, the hon. member's bill is a good indication of his sincere interest in aviation. Unfortunately, the problems outlined in this bill have been superseded in many areas by changing attitudes. For example, the Minister of Transport (Mr. Marchand) has said on a number of occasions that he sometimes felt there were only two kinds of people, those who want airports and those who do not want airports. Perhaps there is a third group, those persons who do not care one way or the other. I should like to speak more about this later.

This government has demonstrated in many areas that it recognizes the aviation needs of the country, ranging from the upgrading of international aviation facilities to the development of community and remote airports. For example, back in December, 1971, the government enunciated a new policy for national and community airports. At that time all members of this House were given a copy of a fact sheet so they could bring to the attention of interested municipalities and groups within their constituencies information on this revised program. I am happy to say, Mr. Speaker, that many members from both sides of the House have taken advantage of this program which has been increased from $1 million to $2 million annually, as mentioned by the previous speaker.

With regard to the aviation facilities we already have and those we are developing, I am sure all members agree that safety is of paramount importance and must be given top priority. As aviation traffic increases, more and more

[Mr. Hopkins.]

navigational systems are required, and the standards for aircraft operation and maintenance must be increased if we are to maintain the enviable aviation safety record which Canada has. For example, the government issued strict new standards for the operation of small commercial aircraft which came into effect on January 1 of this year. Last year the government embarked upon a program of well in excess of $70 million designed to upgrade air navigation facilities not only in the more densely populated regions of our country but throughout the north.

The development of new aviation facilities and the expansion of existing facilities, obviously requires public participation. Where land is required for the expansion of existing facilities or for the development of new facilities, only in a few instances have local levels of government had the foresight to take into consideration the future aviation needs of their communities. For example, in 1948 comments in the Montreal newspapers lambasted the government for locating Dorval so far from downtown Montreal. It was not too many years later that the pendulum swung the other way and we were equally lambasted in the Montreal region for locating the airport so close to the areas of population. This important point, was also brought out by the previous speaker. The airport did not expand: the people and their needs expanded.

Because we have learned this lesson, our plans call for the protection of large tracts of land on the periphery of new aviation facilities so that the land is developed in a manner acceptable for airport operations and the needs of surrounding communities. When it was obvious that Dorval could not be expanded and that new aviation facilities were required for the Montreal-centred region, everyone wanted the airport to be located in their area—north, south, east or west. On the other hand, when it became equally obvious that new aviation facilities were required for the Toronto-centred region, no one wanted the airport, no matter where it was to be located.

As there is more input into centres of larger population across the country from isolated regions, more feeder lines come into major airports. This will continue to put greater and greater emphasis on the needs of urban airports. We cannot therefore, speak about the development of regional and community airports across Canada unless in the same context we take into consideration the effect this will have on the major airports in large, urban areas.

In Calgary, the city fathers had the foresight to protect the land surrounding the airport so that when it became necessary to expand aviation facilities there, as the government is now doing, they would be compatible with surrounding communities. And this is the case in Calgary. At Vancouver, however, we have a major airport facility that has been in existence for more than 40 years and, while obvious expansion is necessary, it has raised the concern of many people. This is why, as at Pickering, we are carrying out active programs to involve the public in the decision-making process.

With regard to the public being involved in the development of aviation facilities and aviation regulations, public involvement is not new to the Ministry of Transport. When new aviation regulations are being developed, everyone from the private aircraft operator to the com-

mercial airlines is invited to participate in the development of new aviation programs and policies.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-15, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1974, and Bill C-16, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31 March, 1975.

THE ROYAL ASSENT

• (1800)

[*Translation*]

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Government House
Ottawa, March 28, 1974

Sir:

I have the honour to inform you that the Right Honourable Bora Laskin, P.C., Q.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, March 28, 1974, at 5.45 p.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary
to the Governor General.

A message was delivered by Major Vandelac, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this Honourable House in the chamber of the Honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

And being returned:

• (1810)

[*English*]

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-15, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31 March, 1974—Chapter 1.

Bill C-16, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975—Chapter 2.

Mr. Speaker: May I suggest to the House that before we rise for the six o'clock adjournment we resume in committee of the whole. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: I therefore leave the chair for the House to resume in committee of the whole.

GOVERNMENT ORDERS

[*Translation*]

VETERANS LAND ACT

AMENDMENT TO EXTEND DEADLINE FROM MARCH 31, 1974 TO MARCH 31, 1975

The House resumed consideration in committee of Bill C-17—Mr. Boulanger in the chair.

The Assistant Deputy Chairman: I do now leave the chair until eight o'clock.

At 6.14 p.m. the committee took recess.

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AFTER RECESS

The committee resumed at 8 p.m.

On clause 1—*Terminal dates for sale, advance, loan or grant.*

[*English*]

Mr. Peters: Mr. Chairman, before the supper break I was pointing out that much of the good legislation that applies to the Farm Credit Corporation is the result of the excellent work that was done for veterans legislation in the area of agriculture. Prior to that, the legislation for farm credit was so bad and the Farm Loan Board had got into so much trouble that the ideas behind the Veterans Land Act were applied to new legislation for the Farm Credit Corporation. I was also pointing out that there was a lesson in the VLA and the small holding legislation that could be applied to the housing situation. There are a number of features in the legislation that would have done a great deal not only for veterans but for all Canadians. While there are some advantages for veterans, one of the major clauses provides that veterans must make Canada their full-time residence and they must be residents for a period of ten years. This of course, applies to other things as well.

One of the sad things about the legislation before us is that it probably covers the least that could be done. I know that is not what the minister intends and I am sure it is not what the hon. member for Humber-St. George's-St. Barbe intended. I think it is safe to say that it is not what any member of this House wants for veterans under the VLA. If the bill included three major things it would probably receive quick passage tonight.

In my opinion, Mr. Chairman, dates should be totally removed from the bill. As I pointed out before, I was one

of those who agreed to establishing the dates. We agreed simply because very few people were taking advantage of the legislation at that time. That was for two reasons. One was that we seemed to have reached a lull because of the age of the veterans and they were re-established in some form, and also we were not aware that at retirement the veterans might be engaged in a totally different vocation.

The second reason was that as veterans changed from one job to another, sometimes coming out of the armed forces at a late date, they would want to settle somewhere and probably buy a house. We did not know that, Mr. Chairman, and therefore we made the mistake of putting in a closing date. Secondly, we did not know then that houses in Canada would be almost impossible to buy at this time. This suggests that perhaps we should raise the ceiling from $18,000 to between $25,000 and $30,000.

● (2010)

In this connection, I do not think we ought to be overly generous with the veteran; we should not increase his benefits under the legislation but should, instead, do three other things. I suggest that the veteran should not be required to obtain .4 of an acre. Instead, I suggest that we should accept a parcel of land which is ordinarily accepted as a municipal lot. I suggest that because, in Ontario as in other provinces, we are stopping strip development; in other words, we are not encouraging the development of smallholdings. We are stopping people going to the countryside and buying a few acres of land, and we are stopping them in two ways. First, of course, people cannot afford to buy two or three acres in the country: that is a luxury most people cannot afford.

Second, it is difficult in most municipalities, especially in Ontario, to obtain permits for sewerage and water for smallholdings. Municipalities want to draw some distinction between smallholdings and agricultural land. Municipal bylaws in Ontario make it mandatory in almost every instance for a person wanting to buy a smallholding to buy good serviced land on the edge of a municipality. In order not to be unfair to veterans but to make sure that veterans will not obtain an undue advantage from any increased amounts the government may lend them, I suggest that part I of the act should remain the same, but that under part III the contributions of the government should be increased from $10,000 to $14,000 and that the contributions of the veteran should be $1 for every $6 of government money, instead of the present $1 for every $5. This would mean the veteran's total contribution would remain at $2,600.

I know that many veterans did not know of the cut-off date. Many did not care about the cut-off date because they were not interested, and many were not in a position to concern themselves about the cut-off date because their future, at the time they contemplated such date, was unstable. It is unfortunate that this piece of legislation was introduced into the House in the way in which it was. It is unfortunate that we are not able to move amendments which would provide three basic things which all members recognize as being fundamental. I am talking, of course, of the removal of the qualifying date, the removal of the March 31 deadline, the removal of the ceiling and, lastly, removal of the provision respecting reduction in the size of property. These things we cannot do in the committee, and that is unfortunate. It is unfortunate, as I say, that the bill was introduced in its present form. Any suggestion put forward by the hon. member for Winnipeg North Centre to put it in a different form would have been ruled out of order.

Further, if the hon. member for Humber-St. George's-St. Barbe, the member who brought this subject before the House, had made suggestions similar to those I have just made, he too would have been ruled out of order. If that is the way democracy works, if the rules prevent members from making the kinds of changes they want to make, it is obvious that democracy is stagnant and the system must be changed. For that reason I urge the minister when he closes this debate to indicate that he intends to refer the subject matter of this bill to committee. The veterans affairs committee is fairly representative of all parties in the House and it has always been reasonably non-political. It should determine what proposals ought to be brought forward to bring this legislation up to date and make it apply more to today's conditions.

Further, I would urge that the Minister of State for Urban Affairs take a good look at some of the provisions of this legislation and see how they relate to those which governed the old Canada loan board. I ask him to see what this veterans legislation will do in the field of housing. If veterans could apply this legislation to the buying of houses we might see less speculation in this area. Possibly in that case people would not be talking about having to pay $40,000 for a house.

It seems to me that the rules of the House will thwart members in their desire to do something further for veterans unless the minister, on behalf of the government, is prepared soon—certainly within the next few months—to refer the subject matter of this bill to committee. I know he has been deeply involved in this subject for a number of months. I know he is fully familiar with all the arguments being raised and I have reason to believe that he is sympathetic to most of them. I therefore hope that the bill will pass this evening, that we will not only give a small extension to the few veterans who were qualified and left over from 1968, but that we will open up this field so that this legislation will be available indefinitely for all veterans who can qualify under the normal conditions set out in the VLA.

Mr. Marshall: Mr. Chairman, I think I made all the points I wanted to make on second reading. I was interested in hearing the points raised by the hon. member for Timiskaming. He could not have put them better. He indicated that it is unfortunate this legislation was introduced in the manner in which it was. He mentioned what needs to be done if we are to remove the remaining inequities in the act. He indicated that all members of the House would support the government if it would agree to take steps of that type. By doing that we could produce a bill of which we could be proud.

I wish, without taking too much of the time of the committee, to propose an amendment. I therefore move:

That the bill be amended by adding thereto the following clause:

All matters within the meaning of "application for a sale, advance, loan or grant under part I, II or III" and of "veteran who has not a subsisting contract," as mentioned and referred to in this act and in the recommendation of His Excellency the Governor General in

relation thereto, are hereby referred to the Standing Committee on Veterans Affairs for examination, inquiry and report.

● (2020)

This would give the committee an opportunity to investigate all factors, including the need for an increase in the loan ceiling, the need for a review of the minimum lot requirements and the October, 1968, deadline which is now hurting many veterans. They would be able to call as withnesses members of various veterans' organizations and eventually come up with a plan before the new deadline so that we can have an act of which we will be proud.

The Chairman: The Parliamentary Secretary to the President of the Privy Council on a point of order.

Mr. Reid: Mr. Chairman, I have had an opportunity to look at this amendment. I must confess, however, that I find some procedural difficulty with it. I point out that the amendment does not seem relative to the bill. It proposes to send the subject matter of parts of the bill, which are not amended, to a standing committee for examination and report. This is not the right stage for this proceeding, if indeed such a motion can be moved. It strikes me that the right time to move a motion for reference of a subject matter to committee is during consideration of the bill.

If the amendment were to be accepted, it would be part of the permanent law. That strikes me as being somewhat of an anomaly. I simply argue that the motion proposed by the hon. member for Humber-St. George's-St. Barbe is out of order at this time because it is not relevant to the bill. If it can be said to be in any way within the scope of the bill before us, it is certainly not relevant to what we are presently discussing.

The Chairman: Are there any further contributions to be made on the point of order that has arisen as to the admissibility of the proposed amendment of the hon. member for Humber-St. George's-St. Barbe? If not, the chair will proceed to make a ruling.

Mr. Marshall: Mr. Chairman, I rise on a procedural point. I think it should be noted that the hon. member for Winnipeg North Centre gave notice that he would introduce an amendment asking that the minister review the matter and report thereon to the House not later than the end of the fifteenth sitting day next after the day of the motion, with or without amendments as approved by the House. I am sure all members would agree to this amendment because it goes a little along the way that we want. My motion asks for consideration of the points to which 264 people evidently agree. This was referred to by the hon. member for Timiskaming. I am sure other members who contribute will agree. I offer that comment for Your Honour's careful and due consideration.

The Chairman: The hon. member for Fraser Valley West on a point of order.

Mr. Rose: I do not wish to speak on the point of order, Mr. Chairman.

The Chairman: I thank the hon. member for Humber-St. George's-St. Barbe and the Parliamentary Secretary to the President of the Privy Council for the arguments they have made on the proposed amendment of the hon. member for Humber-St. George's-St. Barbe.

I would have to say that the course being suggested by the hon. member for Humber-St. George's-St. Barbe is an unusual one in that he seeks to enshrine in legislation a reference to a standing committee of this House. To the best of my knowledge, and according to the advice of the Chair's advisers, there are no circumstances where such a clause or one similar has been successfully presented in committee.

I also draw the rule of relevancy to the attention of the hon. member, that we are proceeding, in effect, in this committee on the reference that has been made to us through second reading of this particular measure. It cannot be said that the proposal of the hon. member is really relevant to that to which the House has given its approval. It might be relevant at another stage, perhaps as a reasoned amendment on second reading or at a further stage of our proceedings, but I cannot find that it is relevant now.

I also have to make the point that this committee does not and should not have the power to refer a matter to any other committee of the House, because we have to regard ourselves and all other committees as equivalent and not possessing superior power. For these reasons I rule that the proposed amendment is out of order.

Mr. Rose: Mr. Chairman, I wish to make a few remarks because, as one hon. member observed, nearly every member of parliament has in his constituency veterans who served their country in a distinguished way over the years. We are therefore entitled to speak on behalf of their interest. I, like a number of other members, regret that the Governor General's recommendation is rather narrow. With the best will in the world, the hon. member for Humber-St. George's-St. Barbe introduced an amendment a moment ago to expand the terms of reference. Your Honour, however, ruled that the amendents' thrust to broaden the Scope of Bill C-17 to better serve the needs of the veteran in today's changed world was out of order. I regret that.

I am extremely pleased that the minister is here with us tonight. The representations made on behalf of veterans by various members of parliament, I am certain will be listened to with a great deal of interest and respect by the minister who is a veteran and a man of distinguished service.

One thing we should recognize is that this bill merely seeks to extend the present legislation. That has caused a great deal of frustration for hon. members who feel that in order to meet the needs of veterans in today's changing conditions, much more than a mere extension is needed. There should be greater response on the part of the government than grudges by extending the present legislation. VLA has been extremely helpful over the years, but because we are living a generation or more removed from the original articulation in the form of legislation, VLA no longer serves increased and altered needs as well as it did when it was first passed by this House.

The hon. member for Winnipeg North Centre has drawn our attention to the fact that the legislation was perhaps drawn with the romantic myth of a continuing rural

Canada and the idea of establishing veterans on farms or smallholdings where planting a few carrots was uppermost in the minds of our legislative predecessors. There were certain lot size limitations introduced which are out of date. The roughly half-acre lot size that was considered suitable in earlier years is no longer appropriate to the situation today. Many veterans cannot be or are not interested in smallholdings today, yet there continues a desperate need for shelter at a price a veteran can afford. In my riding and in other small towns around me, a suburban or rural lot can cost up to $18,000; that is a single 65 by 120-foot lot. The maximum loan under the present veterans' loan legislation is $18,000 per lot. In terms of today's needs and prices, $18,000 is insufficient in assisting veterans to acquire housing.

The maximum mortgage will scarcely buy a lot. We all know that this country has now reached the stage where but 20 per cent of the people earn sufficient money to be eligible for an NHA or a CMHC loan. This is simply because over the years CMHC, aside from helping developers with multiple housing deals, has been preoccupied primarily with providing for the housing of the middle-class or upper middle income groups rather than Canada's economically disadvantaged.

● (2030)

Many of our veterans are extremely needy and shelter is beyond their means. We all recall the statement made in the ill-fated task force report on housing known as the Hellyer report. The task force report observed that there were no farmers left around our large cities; there were only speculators in overalls. Most people in Canada live near or around large urban centres and cannot buy a lot for under $12,000, and most of the lots run as high as $20,000. So, as I say, the loan limitation of $18,000 must be raised to meet today's land prices.

I know, without having it pointed out to me, that my preceding remarks may not be to the point, but I think they reflect the fact that many MPs share my misgivings and frustrations with being allowed tonight to deal only with the mere extension of present legislation. We seek in addition, by way of amendments, to widen the scope of the legislation.

In addition to the suggestion that smaller parcels of land be considered by VLA, I should like to make another proposal. As the hon. member for Winnipeg North Centre has observed, perhaps the veteran who is 25 or 30 years beyond his army days might not be interested any longer in digging potatoes, planting carrots and that sort of thing, and now his family has grown up a smaller lot might suit his needs more admirably. I suggest that not only should we consider smaller sized lots, which incidentally are not so ravenous for scarce, developed land as are half-acre parcels, but a fact to be considered is that more and more people, especially older people, wish to live in apartments. Many of these apartments are not rental units but condominia which can be purchased. These condominia hold strata titles which are secured by a mortgage.

This new sort of property tenure has developed rapidly over the past five years. When I first came to Ottawa I owned one myself, and I sold it at a moderate profit when I no longer needed it. So I suggest to the minister that if there is to be any change in the thrust of VLA legislation, then in addition to smaller sized lots, provision for the older veteran to invest in a condominium apartment so that he is not constantly living in fear of the rent gouger would be an extremely sensible innovation and in keeping with today's trends.

May I make a couple of further points. Some of the veterans who need this legislation most in order to acquire homes for their families cannot take advantage of it because they are on war veterans allowance or on welfare. I submit to the minister, through you, Mr. Chairman, that he might look at the many veterans who are disadvantaged, not because they did not serve us well or because they are spendthrifts, but because they are sick, unemployed and on war veterans allowance. If any group needs help, it seems to me it should be those less affluent or the economically deprived veterans, those on welfare and war veterans allowance. I therefore urge the minister to look at this particular group of people and see how best he can assist them.

The final point I should like to make while I have the floor is that veterans legislation continues to be chauvinistic favouring the male veteran over his spouse; I am sorry, but I see I have offended the parliamentary secretary. I did not mean to shock him, but if I did that is the way the ball bounces. The title to property is held for the benefit of the veteran. We have all heard of Murdoch and the other cases and the Supreme Court's ruling in favour of the male.

Under our veterans legislation, a veteran, be he male or female, is solely entitled to the benefits of property and to the protection of the director, whether or not he or she has fulfilled his or her obligations to make payments over the years. A number of examples have come to me over the years as a member of parliament where veterans in whose name property exists, by courtesy of the director, have not been making the payments. On the contrary, the spouse has been working, has kept the home and family together and made the payments. The male spouse leaves the home for a variety of reasons and while away from the home sells it out from under his wife and family. The provision for joint tenancy in VLA holdings would overcome this problem.

These are examples of situations we should look into when we come to consider updating and broadening the legislation, in addition to extending the time limit, however welcome that is. I should like to thank the hon. member for Humber-St. George's-St. Barbe and the hon. member for Winnipeg North Centre for their efforts, as well as the minister, all of whom I know have fought for this extension, and to say that veterans are grateful. But the extension is only part of the picture, Mr. Chairman; there are a lot of other things we should do.

In closing, I should like to echo the statement of the hon. member for Timiskaming. As valuable as this veterans legislation is, why make it so exclusive? Why do we not have this kind of housing legislation for all Canadians who are economically disadvantaged, providing an interest rate of 3½ per cent on the first $6,000 and 7½ per cent thereafter? Our party has been calling for 6 per cent interest rates for housing for some time now. If we do have a shelter problem, and everybody knows we have,

one of the best models that I can think of to assist most Canadians is this very legislation.

[*Translation*]

Mr. Latulippe: Mr. Chairman, it is my pleasure to say a few words on the bill before us. I agree with the NDP members when they say that the current legislation does not render justice to the veterans.

We all know that the veterans have done much for their country although other citizens are doing the same without those advantages. But this bill should afford a few more advantages to the veterans.

A law must be just and made for everyone. I think the current law does not quite render justice to the veterans. Many members of the armed forces are still young and some day will be back in their country as many of them are still serving in Europe; they are not fighting there but they are maintaining peace. They will be considered as veterans when they come back and they will surely need housing. The law stipulates that for a veteran to be entitled to those payments or advantages, he must have half an acre of land to build a house and then he will be lent $18,000.

The interest rate is reasonable although rather high. As stated earlier by an NDP member, those interest rates should be available to all Canadians who want to build a house. We are now dealing with the veterans and I think we cannot argue about those interest rates because they are realistic and rather fair. However, the minister should amend his bill so as to increase the $18,000 because today it is almost impossible with $18,000 to buy half an acre of land in urban areas as most of them cost much more than $18,000 and no money will be left for the veteran to build his house.

Mr. Chairman, the law should be flexible enough to allow veterans to purchase existing properties in the cities providing they have a normal-size lot.

The veterans should have this right. Not all the veterans are prepared to move and settle outside urban centres so that they may receive half an acre of land on which to build a house. They have no municipal services, no sewers, and so on. They have to arrange for these services themselves.

Mr. Chairman, we note that the bill contains standards which do not quite meet the requirements of the veterans. I believe that the hon. member for Winnipeg North Centre (Mr. Knowles) will introduce an amendment that we shall support, I think. I find it unfortunate that the amendment introduced a while ago by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) was rejected, because it certainly made a lot of sense.

We do not blame the Chair for deciding so. We cannot go back on that but, to my mind, the bill should be amended to do justice to the veterans and grant them benefits this one does not provide.

This bill, Mr. Chairman, does not meet the needs of the veterans. In this regard, I ask the minister to study and check again the contents of the bill; I ask him to reorganize it in such a way that we can come back to this subject. The new bill he will introduce will contain reasonable amendments designed to allow the veterans to benefit to a greater extent from the bounties of the government.

● (2040)

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, when I had the floor during the debate on second reading I indicated that in the committee of the whole I should like to propose an amendment, and I rise now for the purpose of moving that amendment.

As just about every speaker today has said, there is a desire in all parts of the House to improve this legislation. We would all like to move amendments to reopen the right to apply for qualification certificates which was washed out on October 31, 1968, we would all like to move amendments to raise the amount of money that can be loaned under the act, and we would all like to be moving amendments to lower the minimum lot size requirements. Unfortunately, all these proposals involve the expenditure of money. Somehow or other the Governor General did not produce a recommendation wide enough to include such amendments. One of these days we must have a talk with the Governor General.

Mr. Marshall: You and I and Dan.

Mr. Knowles (Winnipeg North Centre): That is right, and if the three of us could just have lunch with him we might put some ideas in his head. In any event, I feel satisfied that the amendment I wish to move is in order, and although it does not guarantee that there will be an extension of the act beyond March 31, 1975, it does guarantee that this matter will be debated again in the fall of 1974. With that kind of a guarantee I would hope the minister and his deputy, to whom I bow, the director of the Veterans Land Act administration and others as well will study this matter very carefully. As I say, if my amendment is passed it will give notice to all concerned that this issue is not dying with the passing of this bill tonight, extending the deadline as it does for one year.

My amendment, copies of which I have already passed around to hon. members and others who are interested, is in fact based on the language of a part of last session's Bill C-192 which is now chapter 29 of the statutes of 1973. Bill C-192 was a bill providing for reductions in corporate income taxation, and the Minister of Finance arranged for the inclusion in that statute of a section which makes it possible after March 31, 1974, for 60 members to sign a motion and have that motion debated in the House under certain conditions. As I say, I have drawn my amendment using, where appropriate, the precise language of the section to which I have referred, found on pages 5 and 6 of Bill C-192, or chapter 29 of the statutes of last session.

The purpose of my amendment is to make it possible any time after September 30 of this year—in other words, after six months have gone by—for 20 members to sign a motion and submit it to Mr. Speaker asking that the Minister of Veterans Affairs review the cut-off date set out in this bill. If my motion carries, the presenting of such a motion signed by 20 members would result in its having to be debated in the House within 15 sitting days after the filing of the motion. If the motion were passed, the Minister of Veterans Affairs would then be required to

review the matter and report thereon to the House not later than another 15 sitting days. My amendment also provides that the debate on such a motion for review would be limited to two days and would thus come to a vote at the end of that time.

● (2050)

As you will see, Mr. Chairman—and I am mixing a few procedural comments in with the substance—my amendment does not involve the expenditure of money, neither does it go outside the ambit of Bill C-17. It is not an amendment to the statute behind Bill C-17. It calls for a device under which the March 31, 1975, date in this bill can be reviewed. Now, having given all that explanation of what my amendment does, perhaps I had better read the English copy although I have it in perfect French as well. I move:

That section 1 of Bill C-17 be amended by adding thereto, immediately after line 25 on page 1, the following subsection:

(3) Where, at any time after September 30, 1974, a motion for the consideration of the House of Commons, signed by not fewer than twenty members of the House, is filed with Mr. Speaker to the effect that the terminal date of the thirty-first day of March, 1975, as specified in this act, shall be reviewed by the Minister of Veterans Affairs, the House of Commons shall, within the first fifteen days next after the motion is filed that the House is sitting, in accordance with the rules of the House, take up and consider the motion, and if the motion, with or without amendments, is approved by the House, the Minister of Veterans Affairs shall review the matter and report thereon to the House not later than the end of the fifteenth sitting day next after the day the motion, with or without amendments, is approved by the House. All questions in connection with any motion taken up and considered by the House of Commons pursuant to this subsection shall be debated without interruption and decided not later than the end of the first sitting day next after the day the motion is first so taken up and considered.

Mr. Chairman, I take responsibility for the wording although I must in my defence say that the long and convoluted phrases are copied from the language used by the Minister of Finance in the last session in Bill C-192. In case everyone does not have a copy, I have sufficient copies here and I can send them around. They are en anglais et en français.

At any rate, Mr. Chairman, that is the amendment. I hope it will be received by the Chair as being within the rules of the House. Not only have the three opposition parties already indicated their support, but I dare to hope that the Minister of Veterans Affairs who is interested in matters relating to the Veterans Land Act will indicate not only that he accepts this but that he does so with pleasure and delight. In fact, I see on his face that he does.

The Chairman: The Parliamentary Secretary to the President of the Privy Council.

Mr. Reid: Mr. Chairman, this motion strikes me as being of Maniwaki procedural origination. It is very cunningly drawn by the hon. member for Winnipeg North Centre, as is his habit. He has had the very good sense to draw it from a bill introduced in the House by the Minister of Finance. The hon. member for Winnipeg North Centre said the Minister of Finance had arranged for the inclusion of this particular amendment in the bill. I would go further than that and point out to you, Mr. Chairman, that the Minister of Finance not only made arrangements for those words, or words similar to them, to appear in the bill

[Mr. Knowles (Winnipeg North Centre).]

but that they also appeared in the ways and means motion which was accepted by the House on June 6, 1973. They can be found as well in the first reading copy of the bill which I have here dated June 6, 1973.

I do not intend to read what the notice of ways and means motion said. It basically contained what the hon. member for Winnipeg North Centre said it did. It was clause 16 of that motion. I think it is very important to recognize the fact that that procedure dealt with a taxation bill and was included in the notice of ways and means. In the bill itself it appeared in clause 1, subclause (3). I want to make the point that in this particular case the original idea appeared in the notice of ways and means and then was incorporated in the bill at first reading. I have spent the dinner hour doing research on this and I took it upon myself to look at Erskine May's eighteenth edition at page 508, where it reads:

(1) An amendment is out of order if it is irrelevant to the subject matter (d) or beyond the scope of the bill (e), or if it is irrelevant to the subject matter (f) or beyond the scope of the clause under consideration (g).

Then in subsection (5) at page 509 May states:

An amendment which is equivalent to a negative of the bill, or which would reverse the principle of the bill as agreed to on the second reading, is not admissible (n).

He goes on to give the following example which I think is relevant at this time:

The scope of the Parliamentary Elections (No. 2) Bill, 1880, being restricted to the repeal of a section in a statute, an amendment which proposed the continuance and extension of that section was ruled out of order. The chairman stated that, though the committee had full power to amend, even to the extent of nullifying the provisions of a bill, they could not insert a clause reversing the principle which the bill, as read a second time, sought to affirm.

Mr. Chairman, the bill before us, C-17, seeks to affirm that there shall be an extension for one year of the application of various parts of the Veterans Land Act—for one year and one year only. That point is clear, precise and exact. That is the only thing the bill seeks to do.

I would submit that the proposal which the hon. member for Winnipeg North Centre has presented before the House in his carefully drawn amendment exceeds that principle and seeks to add something to it. It certainly adds to the principle we have examined at second reading. Further, Mr. Chairman, I would like to take you to page 510 of May's eighteenth edition where the author points out the following in item (10):

Amendments to a bill proposing that an address or a resolution of one House of Parliament should effect the repeal of the bill (f), or that the provisions of a bill should be subject to a referendum (g), have been ruled out of order as proposing changes in legislative procedure which would be contrary to constitutional practice.

The hon. member for Winnipeg North Centre has drawn his amendment from an income tax bill. The only other procedural example we have is when we dealt with the energy allocation bill last year and the House of Commons accepted a clause, which can be found in *Votes and Proceedings* for January 9, 1974, which provided a procedure in the case of the governor in council undertaking to do certain things. A review procedure was to be instituted as a condition to power granted to the governor in council. Observe that we were dealing here in that particular

example with a bill that is of regulatory origin; that is, it sought to regulate the petroleum industry.

Now we are dealing with a bill which has a royal recommendation and seeks to extend the expenditure of money for a certain purpose for one year. I would suggest that a careful examination of the precedents we have before us today would show that an attempt to apply those precedents to Bill C-17 would be like trying to mix apples and oranges and come up with peanuts. I would argue that you cannot take an example from an income tax act or a regulatory bill and apply it to a bill with a royal recommendation.

The last point I would make is stated in May's eighteenth edition at page 511, which is that an amendment is outside the scope of the bill if it seeks to amend the provisions of the act proposed to be continued or to make permanent such act or to include in the bill a statute which has already ceased to have effect. What is important in this case is the first part. It is quite clear that what the hon. member is proposing to do by way of his amendment is to extend far beyond the scope of the bill the extensions that are available, in a way which I think goes against the main principle of the bill.

It seems to me the key point in this is that we have had two examples, one which is an income tax bill and the other which is a regulatory bill. We now have a third bill before us in respect of which the hon. member seeks to take an example from an income tax act and apply it to another type. I submit the distinctions are deep and wide and that the amendment goes beyond the scope of the bill for the reasons I have stated. I would argue that the authorities I have quoted are clear on that point and that Your Honour should declare the motion out of order.

● (2100)

Mr. Peters: May I ask the parliamentary secretary a question before he resumes his seat? I gather his argument is that the hon. member for Winnipeg North Centre is trying to enlarge the scope of this bill and that therefore he is out of order. In light of the fact that he is the parliamentary secretary to the President of Privy Council, and because obviously no one in this House wants to disagree with what the hon. member for Winnipeg North Centre is trying to do, has he any advice to offer the committee that will assist in doing just that, namely, extending the bill to satisfy the needs of the veterans in this country?

Mr. Reid: One argument which I could have used, but did not, is that there are other avenues available to hon. members. I would point out to the hon. gentleman that the use of a resolution on this topic on an opposition day caused the government to change its position, which has resulted in the bringing forward of this bill. I would also point out to him that the estimates of the Department of Veterans Affairs are still properly before the veterans affairs committee. I have been trying to make the argument from a procedural point of view that the hon. member's amendment violates our traditional rules and procedure. He is trying to do something which he is not permitted to do under the rules; he is trying to add something to a bill which is narrowly drawn, and he is attempting to impose conditions on what has been narrowly drawn. In my submission, Mr. Chairman, he cannot do that.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, my good friend, the parliamentary secretary to the President of the Privy Council, my almost—neighbour since he represents the first riding east of the Manitoba border, said that he spent the dinner hour doing research. He might as well have eaten!

Mr. Marshall: He spoke to the House leader. He had herring for supper.

Mr. Reid: It's good for the brain.

Mr. Knowles (Winnipeg North Centre): One of the first points he tried to make—he did not come down on it very heavily, but he tried to make it—was that when the Minister of Finance brought in a bill with a provision in it for review of a portion thereof by the House of Commons at the request of 60 members, that was included in the royal recommendation. That is quite right, because what the Minister of Finance was making possible was a procedure that could result in a change in tax—in other words, it could have a dollars and cents effect. That being the case, it had to be covered by the terms of the royal recommendation.

I point out that the procedure I am suggesting in my amendment does not involve the expenditure of money at all. In fact, it could not by itself involve such an expenditure. Therefore, there was no need for this procedure to be included in the royal recommendation.

As he went a little further in his argument, the parliamentary secretary trotted out May's eighteenth edition. I have a copy here as well.

Mr. Stackhouse: I thought you wrote it.

Mr. Knowles (Winnipeg North Centre): May was produced long before I was thought of. I was interested in the parliamentary secretary's use of the example at the middle of page 509 when he read part of the paragraph which is as follows:

> The scope of the parliamentary elections (No. 2) Bill, 1880, being restricted to the repeal of a section of a statute, and amendment which proposed the continuance and extension of that section was ruled out of order.

That was the case of an amendment that tried to reverse the very thing that the bill was all about. I find it difficult to comprehend how that has any connection with this measure. At the moment, the Veterans Land Act provision that we are concerned about expires on March 31, 1974. The bill before us extends that date to March 31, 1975. By no stretch of the imagination am I trying to reverse that or to alter it in any way. My amendment does not touch that element of the bill, namely, the extension of the date to March 31, 1975. I suggest, therefore, that those portions of May at pages 508, 509 and 510 that the parliamentary secretary quoted have no relevance to this amendment.

As he reached the end of his argument, the parliamentary secretary seemed to gain confidence. He tried to argue that by my amendment I am trying to make a change in the original act. I wish I could. If I knew of any way to move such an amendment, I would do so. There would

probably be three or four such amendments if we could do it. But if my amendment carries and becomes part of the law, it would not by itself produce any change in the original act; and even if the device proposed in my amendment is pursued, that would not by itself produce a change in the original act.

All the amendment does is to provide a means and a guarantee that this House of Commons, if 20 members so wish, will discuss a motion, some time after September 30, 1974, asking the Minister of Veterans Affairs to review the cut-off date that will be enacted by this bill.

● (2110)

My amendment does not go behind this bill at all. It does not deal with the other matters in the Veterans Land Act that need revision. I have no doubt that in the two-day debate that takes place next fall there will be reference to those other matters, but so far as the amendment is concerned it does not seek to amend the Veterans Land Act itself. It does not seek to go behind the amending bill to the main bill. It simply provides an opportunity for a two-day debate in the fall, and in that respect it is patterned after what this House did by way of a precedent last year when we provided for a debate under the Income Tax Act with respect to corporate tax reductions.

I submit, Mr. Chairman, that none of the arguments advanced by the hon. member opposite touched this proposal at all. I submit that the amendment is neatly based on the precedent of the Minister of Finance, that it does not involve the expenditure of money, that it does not negate what the bill proposes, that it does not seek to go beyond the bill to amend the act, and that all it does is to make sure that there will be a two-day debate this fall on the question of the cut-off date. I believe that the amendment is in order.

The Chairman: If hon. members have completed their submissions, the Chair is prepared to make a ruling. First, I would like to thank those who took part in the discussion on the point of order. I would refer members of the committee to the explanatory note which accompanies Bill C-17, as follows:

> The purpose of this bill is to extend from March 31, 1974, to March 31, 1975, the final date for acceptance by the Director, the Veterans Land Act, of applications for sales, advances, loans and grants under parts I, II and III—

The recommendation accompanying the bill, which is to be found on page 3 of today's notice paper, reads:

> His Excellency the Governor General recommends to the House of Commons a measure to amend the Veterans Land Act to extend from March 31, 1974, to March 31, 1975, the final date for acceptance by the Director, the Veterans Land Act, of applications for sales, advances, loans and grants—

The question that the Chair must determine is whether the amendment presented by the hon. member for Winnipeg North Centre is relevant to the principle that was determined on second reading, that is, whether his amendment is within the scope of the bill as determined by the House on second reading. I think, from the two quotations I have given, first from the explanatory note and secondly from the recommendation, that what we agreed to in principle was an extension of a particular section of the Veterans Land Act for one year. The amendment suggested does not extend the extension. It does provide a method of review by the minister. It does not order the minister to extend the deadline again. It does not tell him to take any specific action which would involve the expenditure of moneys, and indeed it could not, because if it did it would be clearly out of order on that particular ground.

[Mr. Knowles (Winnipeg North Centre).]

If the minister were to follow the direction in the amendment and decide to extend the act further, he would have to come to parliament, armed as he is today with the royal recommendation, and nobody can take that particular right away from him.

I have to find that the amendment as suggested by the hon. member for Winnipeg North Centre is relevant. It is within the scope of what was determined by the House earlier today upon second reading. However, perhaps in the interests of parliamentary grammar I will make the following changes in the first three lines of the hon. member's amendment:

> That clause 1 of Bill C-17 be amended by adding thereto, immediately after line 25 on page 1, the following subclause—

This is simply a parliamentary nicety, using the word "clause" instead of "section." Apart from that, I find that the amendment is clearly in order.

Mr. McKinnon: Mr. Chairman, I do not intend to speak at great length. I do not intend to try to decipher some of the convolutions of the argument about the legality of the amendments. I would like to say a few words about the Veterans Land Act. It is a pleasure to speak on this legislation. I am thankful for the opportunity and I suppose all hon. members are thankful for it because we very nearly did not get it. This bill will give us all an opportunity to regroup our forces.

I have some doubt about the amendment that has just been accepted by the Chair in that it will cause the question of the extension of the VLA to be brought back to this House for debate if 20 members so signify their intention. I am no longer certain that this House is the best place to debate the matter. I think that our record over the last few months on this subject indicates the House is not able to express the wishes of the majority of its members.

I have yet to hear a voice raised in this House wishing the act to die on March 31, and yet it came within a few NDP votes of so doing. It seems to me a negation of democracy when the rank and file of the official opposition, of the other opposition parties, and particularly the rank and file of the government party—those who have nothing between themselves and the voters but their own records—were very much in favour of extending the act, yet someone on the government side did not want it extended.

I respect the Minister of Veterans Affairs. The impression I have formed of him is that he has the interests of veterans at heart. I believe that he left the veterans affairs committee several times to take ideas and proposals that were favourable to veterans to the cabinet, and was turned down. It is probably the least well kept secret of this House and of the government that he has had a very difficult time during the last three or four months, and only through being saved by a Conservative resolution was he able at the last minute to extend the act. I am glad

this is now on record of *Hansard* in the words of the Parliamentary Secretary to the President of the Privy Council, who only a few minutes ago said that a resolution on an opposition day caused the government to change its mind. That was a Conservative resolution, Mr. Chairman.

This has been an unhappy affair from start to finish, where members of parliament have been placed in the position of voting against their conscience or of staying mute when they wished to speak, particularly those in the Liberal Party. I hope that whatever comes out of this can be settled in the standing committee composed of members who are interested in veterans affairs, who perhaps can present a united front to the government to show that not only must we have an extension of the act but we must have a better act.

This act was first written, I believe, back in 1919 to look after World War I veterans and to help them settle on the western plains. The amounts were geared to settlement on farms and extra sums of money were given for equipping farms. But times have changed and we are now in a position where the VLA is largely used to provide homes for veterans. This is the way it should be. There is such a small percentage of the population now living on farms, and the act has been changed to deal with veterans living in urban centres.

● (2120)

But some restrictions have been left in the bill. In 1965 the amount of money was increased, but land restrictions were left that make it almost impossible for a veteran to find accommodation through the VLA. Nothing in this bill is going to change that. In 1965 it was considered that $18,000 was needed to settle a veteran in a home. He needed $2,600 cash and could get a very reasonable mortgage for $15,400. That $15,400 represented 85 per cent of the value of the property that was envisaged for the veteran. That is what I think should be incorporated in the new act, Mr. Chairman; the mortgage portion should be around 85 per cent of the total cost of the holding. If we had such a ruling, then veterans could buy homes costing $40,000 or $50,000—and that is what an average home costs in certain urban centres, not excluding the one I represent.

Mr. Chairman, I find no difficulty in supporting the amendment proposed by the New Democratic Party. Really, it is stolen from the hon. member for Humber-St. George's-St. Barbe who proposed the same thing the other day. However, our party has had many ideas stolen in the last year and a half, as the Minister of Supply and Services said, that our role in this House is to sit and do the thinking. Indeed, somebody has to do the thinking. We can support the New Democratic Party's amendment and thank them too, because imitation is the sincerest form of flattery.

The hon. member for Fraser Valley West had a good suggestion about condominiums. Many veterans are getting to the age when they are not eager to mow a half-acre lawn. Indeed, they do not have the money to buy a half acre and they will not get it under the VLA. Condominiums that sell in the $20,000 range could be an answer, but I suggest to the minister that he investigate the legal ramifications of this type of purchase. This is an area where the fine print should be scrutinized. I hope that this government, perhaps through the Minister of State for Urban Affairs, will investigate the matter and then perhaps veterans could buy condominiums. Certainly, if the amount available for mortgages is not raised, something like this may be the answer.

I should like to mention a particular group of people who have not been included in this legislation. I refer to the Korean veterans, particularly those who are still serving. The Korean war took place in the early fifties, and many of the young men who volunteered served in just as tough a war as any other. When they came home, some continued to serve. Most of them have been posted all over the country and have had no opportunity to pick up the acreage and comply with the regulations. Now they are getting near the end of their service and have had no opportunity to become certified—I wish they would change that word—as eligible for Veterans Land Act mortgages.

I am glad that we have had this opportunity to examine the bill. I hope that in the months ahead those of us who want the veterans to get a better break will be able to get together and the next time we discuss the subject it will be a bill that will cancel the October, 1968, date for applications. I see no reason why this bill should stop while there is a demand or need for this money. It should continue until the supply of veterans dries up, not until the government gets tired. I hope the October, 1968, deadline and the March, 1975, deadline will be done away with, that the amounts available will be realistic and that the act will be extended to cover condominiums and strata type homes.

Mr. Dinsdale: Mr. Chairman, after listening to this discussion tonight I think the veterans who are members of the House of Commons will have to conclude that we are fighting a rearguard action. The bill before us provides the bare minimum of concessions from a government that is really not interested in the welfare of veterans but is more concerned with its own survival.

It is a bill, Mr. Chairman, that gives the very minimum consideration to the needs of the veterans, needs that were demonstrated and made crystal clear in the discussion that took place in this chamber on March 12. As hon. members have been saying during the course of this committee's discussion, what has been said has fallen upon deaf ears. There are none so deaf as those who will not hear, and this is the situation we are faced with tonight. I am sure my friends in the NDP now regret that they did not seize fate by the forelock when they had the opportunity on March 12. If they had supported the motion of the hon. member for Humber-St. George's-St. Barbe then, I am sure the government would have had to swallow itself and vote for a new amendment. In that case, we would not be faced with this niggardly token presentation this evening.

I do not suppose there is much that extended discussion and debate can do to resolve the dilemma in which we find ourselves tonight. I want to take the opportunity to remind the minister of some facts; I am sure I do not have to remind him as he is a distinguished veteran, but obviously there is need to bring the message home to his colleagues. They do not seem very concerned with the fact that the veterans of Canada occupy a very special position in the concern of the government of Canada, the parlia-

ment of Canada and also in the affections of the people of Canada. The veterans of Canada make up a group which has earned special concessions. We would not be sitting here tonight, Canada would not have survived as a nation, if they had not been willing to make the supreme sacrifice in defence of their country, in defence of a way of life they thought was worthy of the ultimate sacrifice.

● (2130)

I make this point because this is the first time I have seen any government take a niggardly attitude to the veterans' charter. I have been a member of this House for a number of years and have seen many ministers of veterans affairs. The government is niggardly, not only in its present attitude to the extension of benefits to veterans under the Veterans Land Act but we face the same problems with veterans pensions. There is an enormous backlog of pension applications. Such applications require a year or more to process. Meanwhile, veterans are getting older and their problems are intensifying. Veterans' cases which come to my attention show that the veteran is becoming increasingly unhappy and dissatisfied with the service he is getting from the government. I know this because more individual veteran's cases are coming to my attention now than have come to my attention at any time during my service in the House of Commons. I am sure other members will bear witness to the same situation in their dealings with the problems of their constituents.

The need for extending the Veterans Land Act and all its benefits in their various manifestations has been demonstrated both in the debate today and in the earlier debate in a way that is crystal clear. There is a housing crisis in Canada. The cost of a lot, a mortgage and all the other things which are involved in putting a roof over one's head is prohibitive. It is much greater than anyone could have anticipated as recently as five years ago. It is obvious that the amendment placed before us this evening in the form of Bill C-17 will not begin to meet this problem.

I will not recite in detail what needs to be done. Obviously, the ceiling is inadequate. The size of holdings should be changed to make them compatible with the regulations of Central Mortgage and Housing Corporation. Many veterans did not qualify for benefits because of the cut-off date in 1968; they did not benefit because of a chain of circumstances, including the inordinate rise in the cost of living in Canada which no one could anticipate. Many veterans will suffer by being cut off from their benefits, and this will happen in the declining years of their lives.

Unfortunately, because of the disastrous limitations of the bill veterans will be forced into panic buying, panic action which will confound their problems rather than ameliorate them. There is one slight ray of hope. I wish to devote a few minutes to the amendment proposed by the hon. member for Winnipeg North Centre. I know that the hon. member for Humber-St. George's-St. Barbe would like to present a similar motion, so there is no difficulty from the Conservative side of the House. I think the minister himself will be persuaded that in the circumstances, in light of the criticism which has been directed against him because he is responsible for administering the Department of Veterans Affairs, he ought to support the amendment. The amendment provides an option for

[Mr. Dinsdale.]

the government in the dilemma in which it finds itself: it will give an opportunity to members of parliament, at a specified time in the future, to deal with the limitations encompassed in the actions of the government.

I trust that the minister will be able to persuade his colleagues to think along such lines, although it is obvious that he does not enjoy enthusiastic support in his endeavours on behalf of veterans. I hope he can persuade his colleagues to go this far, to at least keep the option open so that we can discuss the limitations of the government's proposals at a future time. I would go even further and say that in light of the government's attitude on this matter and many others, it is hardly likely that after the next election it will be charged with the responsibility of looking after the welfare of veterans. Making sure that veterans get their just desserts, which are being denied by this administration, would be made much easier if the government kept open the option which is provided by the amendment now before parliament.

My final point, Mr. Chairman—not to belabour the point—is that I hope the minister and his colleagues will support the amendment so that at least they can make some semblance of saving face in this situation.

Mr. MacDonald (Cardigan): Mr. Chairman, I have listened to some very worth-while suggestions. I should like to answer all the questions asked, but first may I deal with those raised by the hon. member for Edmonton West. He asked about the extension. My answer to him is that the extension from March 31, 1974, to March 31, 1975, applies to new establishment loan applications. The deadline for disbursing new loans is extended to March 31, 1976. As far as the extension from the March 31, 1977, deadline is concerned, the deadline relates to additional loan applications from veterans already settled or who will be settled by March 31, 1975. There seems no need to extend the deadline for veterans already established.

I wish to refer to a few other matters. The hon. member for Humber-St. George's-St. Barbe elaborated quite freely on the disservice being afforded veterans because they are forgotten by the veterans' charter. I would not like to have that impression left in this House or in the country, because our veterans have some of the best legislation in the world.

● (2140)

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): I shall not take up too much time, but I want to mention a few of our achievements in the past year. The disability pension was increased last year by 24 per cent. In the past fiscal year this government gave, upon request, an additional $54 million. We were very happy to do that. The war veterans allowance was also increased in midstream. This amounted to another $17 million. I may be off by a few million dollars here or there because I am quoting from memory. Travelling allowances were also increased. To say that our veterans are forgotten and our charter does not recognize them any more is a very unreliable statement. The lodging allowance was increased for veterans who find it necessary to go from their area to be examined by doctors or specialists of one kind or another.

I work very closely with the veterans' organizations of this country. The additional $50 million that I said it would cost was also questioned very vigorously. That is a true statement. It may not be true to the exact dollar, but it will take approximately an additional $50 million to do this. And as long as I am Minister of Veterans Affairs, my door is open to any veteran in this country at any time.

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): It does not have to be eight o'clock or nine o'clock; it can be any hour of the day or night, in any part of this country. The veterans' organizations will tell the veterans that. We increased the number of pension commissioners by seven.

Mr. Marshall: Not according to the letters I am getting.

Mr. MacDonald (Cardigan): I think you write them yourself. I must also say that all aspects—

Mr. Dinsdale: It is your fault that—

Mr. MacDonald (Cardigan): Didn't you have the floor before?

The Assistant Deputy Chairman: Order, please. The minister has the floor. He has the right to express himself as does any other member who wishes to speak.

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): I want to say that as far as reviews are concerned, all aspects of our department are under constant review. We welcome the resolution proposed by the hon. member for Winnipeg North Centre. Another question was posed this evening by a couple of members; I will not mention their constituencies. There has been a lot of talk about veterans in the armed services who were denied the privilege of becoming established under the Veterans Land Act. I want to inform this House that our department sent people to Lahr, Germany, to consult with veterans in the armed forces. Many of them took the opportunity of establishing themselves under this process. When I met them in England and France, they thanked me and my department for sending people over to give them the opportunity to become established.

These people know when they are going to build and when they are going to retire. This program has been available to them.

I see, Mr. Chairman, that the time is going by quite rapidly. We will be very glad to receive and support this motion.

The Assistant Deputy Chairman: Is the committee ready for the question on the amendment?

Some hon. Members: Question.

The Assistant Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Knowles, Winnipeg North Centre) agreed to.

Clauses 1 to 4 inclusive agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. MacDonald (Cardigan) moved that the bill be read the third time and do pass.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, one thing that has impressed many members in this debate and what came before it is the reluctance with which the government has accepted the principle of this bill. It brought in this legislation only after concerted pressure from the opposition. It accepted the amendment only after it was submitted by the opposition, supported by the opposition and when the government saw clearly it would be defeated if the amendment went to a vote. The government brought before the House what was really a specious point of order in an attempt to have the amendment ruled out of order. I suggest we ought to be mindful of the reluctant spirit with which the government addressed itself to this matter.

In his remarks the minister recited some of the achievements of his party, his government and his department for the veterans. He was right in what he said. The point I would make is why, then, be out of character now, if you can help the veterans? Why not, in the same spirit, be open-hearted and open-handed now with regard to these ex-servicemen who are seeking to meet their accommodation needs? One reason many have not been able to take advantage of the Veterans Land Act is simply unavailability of credit and lack of capital. They have hopes for the future, hopes of being able to borrow enough money and to acquire land on which they can build a home for their retirement years.

I wonder just what great good accrues to the people of Canada and the government of Canada by having the deadlines of 1974 and 1975. Why should we impose this limitation upon the commitment of the government and the nation to our veterans? They did not have a time limit on their service: they signed up for the duration. Why should the public not now honour the same kind of open-ended commitment?

Some hon. Members: Hear, hear!

Mr. Stackhouse: We have unanimously accepted the possibility of 20 members of parliament opening up this question in one year's time.

Mr. Knowles (Winnipeg North Centre): Six months.

Mr. Stackhouse: Yes, opening up the new deadline in six months. I hope whichever party is in power in six months—

An hon. Member: Not you.

Mr. Stackhouse: Maybe. The hon. member was wrong a few minutes ago, and he may also be wrong in the near future. One thing we do hope is that six months or a year from now there will be in office a government that is prepared to honour the public's commitment to the veterans of this country. The government has been forced into this extension and it is clear to the whole country that the

legislation which this parliament is about to adopt is strictly because of the pressures put upon the government by the opposition.

● (2150)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, in rising to participate on third reading may I say I hope very few members of the House feel the same way as the previous speaker. It is a fact that this legislation has been handled very badly, and this because of the lack of initiative that has been taken and because the committee was not seized of the matter during the period when the committee had very important legislation before it arising out of the Woods commission report. Although this is no excuse, I think it would be unfair to members of parliament if the political discussion that has taken place is again introduced when further legislation is presented.

I am pleased that the minister, no doubt reluctantly—not because of personal reluctance but obviously because the decision had been made, minority government being what it is—has made this change to the legislation. However, I do not wish to echo the observation that the change has come about as a result of political expediency.

Mr. Thomas (Moncton): What else?

Mr. Peters: The hon. member says, "What else?". That may be a good question but I think the fact is that this extension was brought about because of—

Mr. Thomas (Moncton): Political expediency.

Mr. Peters: —manipulation and manoeuvering, and a lot of effort on the part of a number of hon. members. I do not consider the work done by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), the hon. member for Winnipeg North Centre (Mr. Knowles) and a number of other members to have been motivated entirely by politics, but rather by the expediency of a situation that presented itself.

To ensure that this does not happen again and that veterans' legislation is not changed in this way from now on, I strongly urge the minister to give full consideration to how far the government can go in making the required changes to the act, and that he do it through the normal legislative process, namely, by introducing the changes, referring them to the committee and hearing representations from the various veterans' organizations. These changes should be dealt with before the legislation enters the political arena where 20 members or so discuss it in a partisan way. That has not been the practice in my experience over the years. It was not the way changes were brought about in the veterans' charter.

I hope we do not start projecting changes of this kind into the political arena. It seems to me that if this is the case, then in the end the veterans will be poorly done by. Rather, we should in full conscience, after discussion and deliberation, make such changes in the normal way. I have not consulted the hon. member for Winnipeg North Centre, but I hope that his amendment to the bill today does not have to be used, though I am sure it will be. The only way that it will not be used is if the government comes forward with an acceptable proposition which it puts before the veterans affairs committee and that proposition receives the sort of discussion it should receive in that committee.

[Mr. Stackhouse.]

There are other matters I could deal with, Mr. Speaker. Personnally, I do not want to see legislation relating to prisoners of war brought before the House in the manner of this piece of legislation. But with a minority government this can happen, and if it does I am sure the legislation will pass. However, this is not the way we have operated in this House in matters relating to veterans affairs, and I strongly hope it will not become the way in which we make changes in this field.

I hope the minister will seriously consider just how far he can go, and will weigh the merit of the various proposals put forward by hon. members during this debate. I trust he will refer these and several other subjects that he knows are important to veterans' organizations in the country to the standing committee, where they can be deliberated free from pressures that are applied in the political arena.

As a veteran, may I say I am proud of the legislation we have developed over the years. But it is never so good that it cannot be made better. I suggest that members of parliament who wish to do as much as possible on behalf of the nation to repay the veterans for the service they have given should make generous and effective provision for our veterans, and in a non-partisan way, as has been our custom. To bring this about we will have to depend on the minister bringing forth legislation that will eliminate some of the immediate problems veterans in Canada today are beginning to face.

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

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, on a point of order, could I have confirmation of the business for tomorrow, since we have made such excellent progress tonight?

Mr. Reid: Mr. Speaker, we will be taking the competition bill tomorrow.

Mr. Knowles (Winnipeg North Centre): And if we finish it?

Mr. Reid: If we finish it, we will have a choice between the CNR financing bill and the parks bill.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

MANPOWER—OPPORTUNITIES FOR YOUTH PROJECTS—NATURE OF CONSULTATION OF PRIORITIES—REASON FOR DISCONTINUANCE OF CONSTITUENCY ADVISORY GROUPS

Mr. David MacDonald (Egmont): Mr. Speaker, the question I am raising again this evening is the original question raised on March 4 with respect to the notice given by the Minister of Manpower and Immigration (Mr. Andras) to members of parliament on February 28 concerning the letter that had been circulated indicating both the nature of the selection process for Opportunities for Youth grants and the initial allocation of funds.

● (2200)

Hon. members may recall that on March 4 I raised with the minister the problem of the abandonment of the previous principle of constituency advisory groups. The minister indicated to me at that time that they were being abandoned for two reasons, which he indicated. First, he said there was some question about the time involved in terms of processing in order to approve these projects and notify the fortunate recipients, and the other question was a matter of the amount of money. In a later answer to me the minister said in the House that there was also a problem in respect of the selection of Opportunities for Youth groups, which would take place in what are known as 33 labour market areas rather than within precise constituency boundaries.

I must say at the outset that I find the minister's logic and argument fallacious and illusory. If he is talking about time to process these grants, I do not know for the life of me why there should be less time available this year than there was in any preceding year when this principle was adopted. As a matter of fact, it seems to me that the deadline of March 15, and more than a month to file before the projects would finally be approved and the individuals notified, is more than sufficient time for individual constituency advisory groups to meet. We have known for the past few days, for instance, the list of projects which have been submitted from the Egmont constituency. Tomorrow evening I plan to meet with a publicly-appointed representative group of citizens from the Egmont area who will advise me and, hopefully, the minister as to the projects they think merit funding, and some priority in respect of these projects. That does not seem to involve an inordinate amount of time and I think the minister's excuse that there is no time is really no excuse at all.

Secondly, the minister said there is the problem of distribution into the market areas. Since there is no further explanation of what this means, and since I assume that projects are being listed and sent to members item by item on a continuing basis, this is simply some kind of bureaucratic gobbledygook which has no real impact on the problem. Thirdly, when the minister suggested there is not much money being used, I am reminded of the minister's predecessor from the same riding who is reported to have said, and who will go down in history having had this attributed to him, "What's a million?" This minister is apparently prepared to say, "What's $25 million or $30 million?" It is still a great deal of money in this country and I think the government has the responsibility to be accountable to the public in this House.

There is an additional aspect to this matter. I think there is necessity for an effective accounting to the young people themselves. The young people who take the time and the trouble to submit projects have a right to know that they are selected on some other basis than the smile of lady fortune, the turn of a wheel or by some official who has the most peripheral kind of information and awareness about a constituency, with the result that decisions are not made on the basis of sound, rational judgment or comparison.

In addition to that, if that is not sufficient, we have had the ridiculous situation that in a great many areas there has been no project officer either to advise or to assist young people or, in later stages, to assist in processing or judging these projects. It is true that there is no project officer in a number of cases where there was none during the submission period of this program, but the thing that strikes me as a piece of irony is the response to my criticism about the lack of project officers—and Prince Edward Island must stand out as the classic case. The very day the minister announced the new Opportunities for Youth program, the number of project officers in Prince Edward Island, and I believe New Brunswick, ceased to exist, or at least the last ones had served their time and that was the end.

From the end of January until March 15, when the deadline closed for submissions, there were no project officers in Prince Edward Island. I think this can be verified quite easily. I do not think there were any in New Brunswick, and there was only a limited or skeleton staff operating from the regional office at Halifax. I do not have the facts and figures as to the rest of the country, but I presume the same situation pertained. And this is the situation which the minister says is rational and fair for the young people of this country.

Mr. Speaker, quite frankly I think the administration of OFY has gone full circle to the first year of its innovation. There is no excuse for this. It must seem to some people that this is an example of irresponsibility. I think the department is deliberately trying to torpedo this operation and make it so ineffectual and so insufficient that one would not consider funding it in successive years. I think this is a great loss to the young people who have submitted these programs over the years and who this year have submitted many worth-while proposals. I hope the minister will begin to take seriously a program which has been taken seriously by many young people in this country.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, as my minister has stated in the House, members of parliament will not be put in the position of having to decide the priority of projects. The government agrees with the hon. member for Egmont (Mr. MacDonald) that that would be most improper. On the other hand, hon. members will be consulted in the assessment of project applications. We will also consult with the provinces and with local agencies, community groups, civic officials and persons of expertise in the fields which might be of interest to this year's OFY program. In the last analysis, however, the Minister of Manpower and Immigration (Mr. Andras) is the only person who decides the approval or rejection of any project application.

The hon. member for Egmont has spoken of a reversal of policy in the decision-making process for OFY. There is no reversal of policy. In previous years, when that program was the responsibility of another department, the funds were not allocated on a constituency basis. They will not be this year either. As my minister stated in his letter to hon. members on February 28, "the allocation of funds for the Opportunities for Youth program will be made on the basis of the 33 labour market areas in Canada, which in most cases cover several constituencies."

Since the funds for OFY are not allocated on a constituency basis, it would be difficult to form constituency advisory groups. However, in the consultation process, when we ask the advice of hon. members we would hope that their views would reflect their own consultation with local agencies, community groups and civic officials. I want to reiterate that consultation will take place widely and that we depend on it for the success of the program. We appreciate the constant interest of the hon. member and the interest we hope all hon. members will show as projects are being considered.

With particular reference to Prince Edward Island, there was one project officer in Charlottetown until the end of January. Another has since been hired. In the meantime, a fully briefed secretary, experienced in the OFY program, was in charge of the office. She was able to personally assist almost all who requested her advice. In the rare cases where she was unable to help, she either contacted the regional office herself or encouraged the applicant to call Halifax collect where help and advice were given. Information on the program was sent to schools, libraries, Canada Manpower centres and student manpower centres at universities. Thus, I am able to assure you, Mr. Speaker, that prospective applicants in Prince Edward Island received no less aid than their counterparts in other provinces.

In view of the alarmist statements the hon. member has made about the program, it would seem to me that perhaps it is the hon. member himself who is trying to torpedo it.

GRAIN—FEED GRAIN—POLICY RESPECTING MARKETING

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, on March 21 I asked the minister responsible for the Canadian Wheat Board, in view of the fact of the government's intention to throw domestic western farm feed grains totally on the open market, whether the government intended to modify its policy in light of the expressed request of the majority of farm organizations that the Canadian Wheat Board remain the sole marketing agency for western feed grains. The minister answered that a great many organizations expressed views on both sides of this question. However, I am convinced that the majority of western Canadian farmers want to retain the marketing authority of the Canadian Wheat Board with perhaps the single exception of the Palliser Wheat Growers.

It is clear that if the federal government adopts an open market policy position on feed grain, it will lend itself not only to an open market but to contracting and vertical integration. It is the last step in the process which members of the Canadian Feed Manufacturing Association have been working toward since 1960 when the then minister of agriculture ordered the release of feed mills in western Canada from the control of the Canadian Wheat Board in respect of delivery quotas and therefore price.

[Mr. MacGuigan.]

● (2210)

One can expect all grain companies to become buyers and sellers of feed grains on a straight line contractual basis with different contracts covering different phases over the complete cycle of production to the consumer. The effect of this will be to bypass the so-called open market. Therefore, an open market is not the real target. Contracting and vertical integration is the real objective of the federal government's policy—the grain trade, feed manufacturers, integrators and the vested interests who understand and support those objectives. If the basis of these assumptions is correct, clearly the emerging process will have profound effects upon future production, the basis upon which production takes place and where it takes place in Canada.

As the integration process evolves, grain producers producing under contract will be integrated, livestock producers producing under a feed contract will be integrated, and livestock production will be integrated with the processor and retailer to complete the cycle. Those who in the short run function in the agricultural market economy will in the long run become part of the industrial planning system or perish.

For those farmers who are now producing grain and livestock or poultry on their own farms, it means as the industrial planning system extends its control over all sectors of production that those farmers will be forced to join the planning sector, subsidize the planning sector or lose money in production. It makes little difference how they are affected; they will become completely dominated by the planning sector or go bankrupt. In the long run they will be eliminated, for the planning sector, being dominant, will determine the allocation of resources within the system and therefore the location and nature of production.

Therefore, I urge that in the best interest of western and eastern farmers, the Canadian Wheat Board remain or become the sole marketing agency for western feed grains domestically, both intra-and interprovincially, and that the Canadian Livestock Feed Board become the sole purchasing and selling agency for feed grains domestically beyond the Canadian Wheat Board's designated area at points of transfer, Thunder Bay and Vancouver. This policy should include guaranteed minimum prices, a permanent storage program under Canadian Wheat Board jurisdiction, improved price monitoring information systems, freight rate equality in livestock and grain, and farmer consultation.

The minister responsible for the Canadian Wheat Board had a plebiscite on rapeseed marketing and on acreage payments on two-price wheat. Why not a plebiscite for all feed grain growers to determine their wishes, or is the minister not calling one because he knows what the results will be? Is he not calling one because he knows that the Conservative Party is fully behind him on this issue?

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the issue raised this evening enables me to repeat the answer already given by the minister and to add further comments: I quote

The fact is that a good number of organizations have expressed themselves on both sides of the feed grains questions, which is specifically the reason for the period of discussion we initiated with our announcement on August 3. It was significant that the Canadian Federation of Agriculture expressly avoided arriving at a conclusion on the issue because of the known division among farm organizations on the subject. It is our continued objective to ensure that there be equitable pricing and movement of feed grains across the country on a one market basis.

[*English*]

Mr. Speaker, the hon. member's question refers to the so-called plebiscite or poll being conducted in Manitoba in connection with the domestic marketing of feed grains. Responsible people in the grain industry, including producers, recognize this so-called poll for what it really is, a patently obvious political ploy of little significant consequence. It makes no contribution to the solution of the difficult problems in the domestic marketing of feed grain.

The government has received a host of suggestions on the proposals put forward August 3, from farmers and farm organizations right across the country. Each of these is receiving close scrutiny in an effort to arrive at the best possible solution. Very few of the suggestions have at this stage been rejected. All alternatives are being looked at. We expect soon to complete this very thorough period of consultation and to come forward with our final proposals which we believe will be the best possible in the very difficult circumstances which apply to the domestic production and use of feed grains within Canada.

[*Translation*]

I thank the hon. member who dealt so efficiently and wisely with this question—

Mr. Speaker: Order.

[*English*]

GRAIN—RESPONSIBILITY FOR ALLOCATION OF RAILWAY CARS—DECLARATION OF CERTAIN BRANCH LINES AS INOPERATIVE BECAUSE OF SNOW CONDITIONS

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I rise tonight to pursue a question I put to the Minister in charge of the Canadian Wheat Board when I asked him on March 26 who was responsible for ordering grain trains into the snow-blocked areas of the prairies. On a subject with which I am familiar, I listened to the minister's long, convoluted answer and I was absolutely mystified. Then I waited until I had an opportunity to read his reply. I really think that the producers in western Canada deserve a better shake than the tricky answer given by him.

The transportation snarl-up started last fall. It was the same old story. The Canadian Wheat Board told the railways that certain areas would be short of grain and that it required all lines to be kept open all winter. The facts are that the Canadian Wheat Board has been ordering trains into the snow-blocked areas with the result that we have had some 16,000 cars tied up. The railways have been required to plow over a quarter million miles of track and we have ended up dissipating our whole transportation effort, moving snow rather than wheat and grain.

Grain accounts for over 50 per cent of the total railway traffic in western Canada. In effect, we have been hung-up on an old principle out there which holds that all parts of the prairies, all producers, all delivery points must have the same delivery opportunities every week of the year. This has resulted in the dissipation of our entire effort. We should have sent the trains into areas that were accessible, taken the grain out of them during the winter and levelled up the quotas when spring arrived.

Some ten days ago the railways took a very definite stand. They took some 20 subdivisions out of operation. Why it took them so long to do that, I can only guess. It is interesting to read the railways' statement, made yesterday in Winnipeg, as quoted in the *Globe and Mail*. Of course, the railways have been the favourite whipping-boy of the grain trade over the years. The new stance of the railways is as follows:

CP rail will start running four special grain trains from the prairies to Vancouver in an effort to accelerate Canada's export shipments, according to F. S. Burbidge, CP president.

● (2220)

This rail movement will be the second largest in the company's history, being exceeded only by the grain volume carried during the 1971-72 crop year.

The article ends with this significant paragraph:

Mr. Burbidge said the success of CP's plans depends not only on the weather, but also on obtaining the fullest co-operation from grain producers, elevator operators and the Wheat Board.

I wish the minister well, because I know the problems he will encounter in trying to get action from those segments of the industry. I think this is a wise decision. The railways are going to haul from selected lines. This will require trucking the grain to those lines, and I know the minister is very well acquainted with some of the problems involved. There are segments of our grain industry which would like to see the trucking experiment fail. Right now they are trucking to the interior terminals and this is costing the producer some 12½ cents per bushel just to deliver to the terminals. It costs 5.7 cents at the elevator and another 6.9 cents per bushel to haul it within a 30-mile radius.

I see nothing wrong with allowing producers to haul directly to those terminals, thus bypassing the additional 12½ cents charge. I think some incentive must be offered to producers to induce them to transport their grain to those open lines, however. I suggest to the Minister that he consider paying a 10-cent or 12-cent per bushel subsidy to encourage grain onto these main lines.

I should like to say a few words about the target figures set by the Canadian Wheat Board and the railways. The figures offered by the railway people and the Wheat Board do not agree. Today in committee Canadian Transport Commission officials appeared and they were not able to help. I suggest that the target figures set by the Canadian Wheat Board are not credible. At the end of the last crop year, when all the grain that was required to be moved had been moved, we were still some 30,000 boxcars short of

the Canadian Wheat Board target. I would ask the minister to examine the targets being set by the Wheat Board.

Mr. Speaker, my final point is that the morale of the people operating the railways must be at rock bottom level now when they hear the Minister of Transport (Mr. Marchand) say what a mess the system is in.

Mr. Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the problems raised by grain transport in western Canada have been existing for several months, as you all know, and were on the verge of causing a major crisis.

After the settlement of the national railway crisis last year, the railway companies have neglected to make available in the Prairies enough cars to relieve the congestion.

[*English*]

By the time the railways agreed to a realistic number of grain cars, severe winter conditions settled in on the prairies, compounding the problems. The federal government set up an emergency committee some time ago in an effort to get all segments of the industry working together in co-operation to move the maximum amount of grain. Following the work of this committee, all parts of the industry, including the railways, have now agreed to join action on several points. For now and for perhaps some weeks a number of branch rail lines which have been seriously affected by heavy snow and are all but inoperable will be closed to allow the full resources of the transportation system to move as much grain as possible on the main lines. The railways and the grain handling companies will co-operate in assembling unit trains. In addition, a special committee chaired by the Canadian Wheat Board is being struck to consider changes to give farmers at closed delivery points additional ways to get grain to lines that are accessible.

[*Translation*]

The government is aware of its responsibilities in this field and is firmly determined to keep on fulfilling them, but we hope to get the co-operation of the hon. member and his party, as it is in the interest of a great many Canadians. I shall read my hon. friend's statement again and if it contains acceptable suggestions, you may be sure that we will not fail to take them into consideration.

Motion agreed to and the House adjourned at 10:28 p.m.

HOUSE OF COMMONS

Friday, March 29, 1974

The House met at 11 a.m.

[*English*]

VETERANS LAND ACT

CONSIDERATION BY SENATE OF BILL EXTENDING EXPIRY DEADLINE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Yesterday members of all parties in this House gave unanimous consent wherever it was necessary and co-operated thoroughly so that Bill C-17 could be passed through all its stages. Bill C-17 is the bill that extends the Veterans Land Act which otherwise would expire, or at least certain of its provisions would expire, on March 31.

I think it is generally understood that one of the reasons for yesterday's co-operation was so that this bill could be dealt with in the other place, finally passed and given Royal Assent before March 31. I have discovered this morning, Sir, that the Senate adjourned yesterday afternoon until eight o'clock Tuesday evening.

Some hon. Members: Shame!

Mr. Paproski: Abolish the Senate.

Mr. Knowles (Winnipeg North Centre): I realize, Sir, that this House has no control over the other place unless we take the suggestion of my good friend from Edmonton Centre. However, the leader of the Senate is a member of the cabinet and therefore I believe it would be the will of this House to call upon the government to suggest to the leader of the government in the other place that that House should meet today or on Monday to deal with this legislation. I realize that no veteran will lose a grant because of this delay of two or three days, but the Senate knew the Veterans Land Act was coming to it—it is on the record—and its action is an insult not only to the members of this House but to the veterans of Canada.

ROUTINE PROCEEDINGS

[*English*]

INCOME TAX

TABLING OF INTERIM REPORT OF TAX MEASURES REVIEW COMMITTEE

Hon. John N. Turner (Minister of Finance): Mr. Speaker, pursuant to the provisions of Standing Order 41(2) and in accordance with my undertaking given to the House on February 19 and May 29, 1973, I wish to table the interim report of the Tax Measures Review Committee in both official languages.

* * *

FISHERIES

NOVA SCOTIA INSHORE LOBSTER FISHERY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to the provisions of Standing Order 43 to seek the consent of the House to move a motion in a case of urgent and pressing necessity arising from the revelation yesterday that in fact there had been a study by the government of the lobster fishery in Nova Scotia and a report presented to the Department of Fisheries about the middle of last year which has not yet seen the light of day. I would therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House calls upon the government forthwith to table the report arising out of the study made, as a result of the commitment by the Prime Minister in Lunenburg, Nova Scotia, in July, 1971, into the relationship between the deep sea and the inshore lobster fishery in Nova Scotia.

Mr. Speaker: This motion requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

● (1110)

VETERANS AFFAIRS

ANNOUNCEMENT OF PARTICIPATION BY CANADIAN DELEGATION IN CEREMONIES COMMEMORATING THIRTIETH ANNIVERSARY OF NORMANDY LANDINGS

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I am very pleased to announce that an official Canadian delegation will participate in the events in France this June commemorating the thirtieth anniversary of the Normandy landings. The ceremonies, organized by the Comité du Débarquement, have the approval and the support of the government of France.

The Canadian delegation will be headed by myself and the ambassador to France, the Hon. Léo Cadieux. It will include representatives of parliament, the armed forces, senior D-Day commanders, representatives of veterans organizations, and D-Day survivors from all the participating army units and from the Royal Canadian Navy and Royal Canadian Air Force.

Commemoration

The principal Canadian ceremony will take place on the afternoon of June 5 at the Canadian war cemetery at Bény-sur-Mer. The British and American ceremonies will be held on June 6.

I have arranged for the letters of invitation to the Canadians concerned to go out from my office today.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, we in our party are pleased to hear the announcement by the minister that he and representatives of parliament will be attending the ceremonies commemorating the thirtieth anniversary of D-Day on June 5. I am sure it will be pleasing to those veterans who are members of parliament that parliament will be represented. I am pleased to note also that the ceremonies will take place at Bény-sur-Mer which is the landing place of Canadian forces on D-Day. I am sure that for those who attend the ceremonies it will bring back many memories after 30 years. We whole-heartedly agree with the announcement and look forward to participating with other members of parliament.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I welcome the announcement by the Minister of Veterans Affairs that an official Canadian delegation will participate in the events in France this June. It is hard to realize that the event being commemorated took place 30 years ago. On the particular date I was on a barge waiting to go into Bény-sur-Mer. I suppose there will be many stories told by veterans of that time, including those who drove right into Caen while it was still occupied by the enemy. For Canadians it will be a sentimental journey, a reminder of the idealism of those times and of the sacrifices that were made by men and women of this country in order to achieve greater freedom in Europe. In some ways I hope it will be a reminder to the Europeans that in many ways Canada is part of Europe and entitled to a voice in European councils. We in Canada would like to have that closer association with Europe. I think we in Canada have earned it.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I am very pleased with the announcement of the Minister of Veterans Affairs (Mr. MacDonald) to organize a Canadian delegation to the thirtieth anniversary of the Normandy landing.

I think it is a way for French Canadians to be reminded of the province of Quebec motto: "Je me souviens". Thirty years ago, Quebecers went to Europe to help some countries win a military as well as an ideological victory. I wish to congratulate the minister for organizing this delegation, but specially those who, thirty years ago, took part in the landing. I associate myself with the remarks made by the minister about those who died there.

Again, I commend the minister for this action.

[Mr. MacDonald (Cardigan).]

[*English*]

AGRICULTURE

DAIRYING—ANNOUNCEMENT OF SUPPORT AND SUBSIDY PROGRAM FOR 1974-75

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the dairy situation in the world and in Canada has changed dramatically. Surpluses have melted away and prices have risen. Dairy farmers have faced rapidly rising input costs for everything from labour, to feed, to fuel. As a result it is now necessary to inject confidence into the industry.

In order to provide increasing confidence in the dairy industry and ensure adequate supplies, the government will put a program in position that will better relate producer costs and returns. To this end the Canadian Dairy Commission has been authorized to enter immediately into discussions with producers and other groups to develop, for consideration by the government, proposals that will best meet these objectives while keeping in mind the interests of all Canadians. Dairy farmers will at long last be able to enjoy that measure of security enjoyed by other areas of the economy. It is the firm aim of the government to make the dairy industry an attractive one for young farmers, and this long-term approach should do just that.

Turning now to the 1974-75 dairy year, the government proposes the following action:

The support price on butter will be raised by six cents to 77 cents per pound.

The support price for skim milk powder will be raised 12 cents per pound to 50 cents from 38 cents.

The subsidy to industrial milk shippers will be raised to $2.30 per hundred pounds of milk and to 65.71 cents per pound of butterfat to cream producers. In addition, the subsidy will be extended to include all qualifying industrial milk and cream within market share quota and not just milk within the subsidy eligibility quota.

The export levy will be increased from 10 to 15 cents per hundred pounds of milk.

This action will result in industrial milk shippers receiving a total of about $8.50 per hundred for their within market share quota production.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, as all members, we were looking forward to knowing the government's position on the dairy policy for the coming year.

I must admit that the minister's statement partly responds to the producers' requests. A few days ago we had the opportunity to discuss this urgent matter and last Friday we again requested that the government meet the initial requirements of the Dairy Farmers of Canada.

I recognize that today's statement by the minister partly meets those requirements. However, he concluded his statement by saying that the dairy producers and the processors will get about $8.50 a hundred pounds. We must admit that this amount is not high since the basic requirements to the producers were higher. Taking into account the minister's expertise in this area he is quite aware that the dairy producers' requests were minimal and while

claiming at least $9 a hundred pounds of milk we were admitting that the dairy industry still made no profits but hoped that the production cost would decrease during the coming year. In committee the minister stated recently that he hoped those production costs would diminish; nothing is less sure and from this lack of assurance I must say that I am still concerned about this industry's future even though the statement of this morning leaves hope for an improved situation and is no warranty for the future of the dairy industry which had already outlined its absolutely basic requirements.

I hope that the hon. minister, when he says he wants to inject confidence into the dairy industry will be able to suggest long-term rather than short-term measures which will guarantee an absolute minimum for the survival of the Canadian dairy industry.

Our party did not hesitate to agree with the demands of the Dairy Farmers of Canada. We will wait and continue to demand at least the minimum which the dairy farmers absolutely need.

● (1120)

[*English*]

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, the most hopeful part of the minister's statement is the declared intention of the minister and the government to review dairy policy in Canada. I hope this means that they are prepared to review the basic objectives and approach to dairy policy in Canada because that is what we need.

At the time the Canadian Dairy Commission was created the dairy industry was facing depressed prices. The Canadian Dairy Commission at the beginning followed a policy of creating larger units and actually restricting production. What we need now is a policy to expand production because we are short of butter and short of cheese. We need expanded production. Perhaps the increased prices set out in this announcement, will bring this about in the short term, but in the long term we need to look at production for use as well as for profit.

One point that needs to be examined, I suggest, is the cost of quotas and the practice that has evolved that when a man wants to get into the business he has to buy his way in. We need to ensure that it is not going to be too expensive for a dairyman to get into the business or to get additional quotas. This practice should be abandoned or at least a ceiling should be established or some other means found to discourage it. It is a capital cost which has to be passed on to the consumer once it is built into the industry.

I hope that somewhere along the line we will introduce a school milk program as part of the over-all program in the dairy industry. We not only need to produce milk but we also need to ensure that everybody has access to milk, the best protein food that we produce in Canada, and also cheese. I hope the government will ensure that it is available to everybody, starting at the school level. That is the purpose of production.

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, the new government dairy policy had been expected for a very long time by farmers and farm workers across this country.

With the galloping inflation we now have farmers have ever-increasing costs to support. So I feel that even if it does not solve all the problems the new dairy policy will at least put a little balm over the wounds. Perhaps it might encourage farmers to stay on the farms provided however this government recognizes the principle of escalating grants on par with the increase in production and the cost of living.

The minister said producers of industrial milk will get in all $8.50 per hundredweight. We know it now costs even more to produce it, about $10.15 per hundredweight, while producers will get $8.50. So I find the profit margin is not very great. If the government wants to collect taxes from farmers it might consider allowing them to make a greater profit.

I now insist on escalation because I think that with the rapid increase in production costs it will be too late on April 1, 1975, to reassess the government dairy policy. The minister must absolutely stop introducing new policies once a year to provide for escalation with production costs as perhaps with old age security pensions. This way farmers would be less prompted to feel discouraged. I know that in the riding of Drummond in particular auctioneers are now booked up to the month of August because there are so many farmers who want to leave their farms. In concluding my remarks I would like to encourage farmers to continue their work.

* * *

[*English*]

RESTRICTIVE TRADE PRACTICES COMMISSION

FILLING OF VACANCIES IN MEMBERSHIP—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I should like to seek the consent of the House under Standing Order 43 to move a motion to deal with the deplorable circumstances in the Restrictive Trade Practices Commission, renewed evidence of which can be found in today's press. I would therefore move, seconded by the hon. member for Vancouver Kingsway (Mrs. MacInnis):

That this House direct the Minister of Consumer and Corporate Affairs immediately to make appointments to bring the membership of the Restrictive Trade Practices Commission up to its full complement.

Mr. Speaker: The House has heard the motion proposed by the hon. member. It requires the unanimous consent of the House under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

Oral Questions

ENERGY

OIL PIPELINE EXTENSION TO MONTREAL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the fact the Sarnia to Montreal oil pipeline application is now before the National Energy Board, and in view of the fact there already exists an oil pipeline from Sarnia to Toronto with the capability of being upgraded and extended to Montreal, thereby resulting in a financial saving and the avoiding of environmental damage, I would move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House instruct the Minister of Energy, Mines and Resources to reassess the proposed Sarnia-Montreal route.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

RAILWAY ACT

AMENDMENT TO PERMIT RAILWAYS TO ISSUE HALF-FARE PASSENGER TICKETS TO SENIOR CITIZENS

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill C-269, to amend the Railway Act (half-fare railway tickets for senior citizens).

An hon. Member: Explain.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the purpose of this bill as indicated in the title is to amend the Railway Act to permit railway companies operating in Canada to issue half-fare passenger tickets to senior citizens.

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

● (1130)

ORAL QUESTION PERIOD

[*English*]

ENERGY

GASOLINE—AMOUNT OF INCREASE IN PRICES EAST AND WEST OF OTTAWA VALLEY LINE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to ask the Minister of Energy, Mines and Resources to clarify very briefly the basis of the statements he and his officials made yesterday indicating that consumers west of the Ottawa Valley line will pay perhaps eight to ten cents a gallon more for gasoline and those to the east may face an increase of four or five cents a gallon, whereas on Wednesday, following the conference with the provincial premiers, he indicated that the new arrangement would mean perhaps a seven cents a gallon increase in wholesale prices west of the Ottawa Valley line and that prices east of the Ottawa line should hold firm.

[Mr. Speaker.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I did not indicate either the ten cent or five cent price increases with regard to feedstock. I think the calculation would be eight cents and three cents. Of course, there is a question outstanding as to the calculation of the gathering charge in Alberta. That is yet to be settled. However, those are the levels we anticipate, eight cents or perhaps half a cent more and three cents or perhaps half a cent more.

Mr. Stanfield: The minister speaks of three cents east of the Ottawa line. Would that be the figure for Nova Scotia and Newfoundland as well or would their increase be greater in view of the greater transportation costs from the producing provinces?

Mr. Macdonald (Rosedale): Mr. Speaker, Nova Scotia and Newfoundland, of course, use offshore oil. The increase east of the Ottawa Valley line would be three cents. The rounded figure for oil landed up to December 31 is $6 rather than the $6.50 figure that was discussed in the past. Since the price of crude will be going up by the difference between $6 and perhaps $7.15, that will represent about three to three and a half cents at the gas pump.

Mr. Stanfield: The minister indicated in a telex to the oil industry that they will be permitted to increase their selling prices on Monday next for reasons other than the increase in the cost of crude. Have any guidelines been established with regard to this arrangement, and has the government any mechanism in place with regard to justification of any such price increase before the price increase is put into effect by the companies?

Mr. Macdonald (Rosedale): Mr. Speaker, we will be seeking justification from the companies in due course for price increases of this kind. Proof will be required in relation to any price increases they make. We do not anticipate in effect scrutinizing them in advance. Any anticipated increase is estimated to be at the most about half a cent, if in fact the companies choose to take that.

GASOLINE AND HOME HEATING OIL—AMOUNT OF PRICE INCREASE GOVERNMENT WILL ALLOW

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In view of the fact there are 35 gallons in a barrel of oil, which means an increase of slightly less than three cents per gallon for every $1 increase in the price of a barrel of oil, having in mind the minister's statement in answer to a question at the press conference on March 27, that the price increase for gasoline west of the Ottawa Valley would not be more than seven cents per gallon, and in view of the fact the oil industry is now talking about 10 cents per gallon west of the Ottawa Valley and five cents per gallon east of the

Ottawa Valley, what price increases for gasoline in those two areas does the federal government propose to allow?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I just responded to a similar question from the Leader of the Opposition. In relation to feedstock, the price increase will be around eight cents west of the line and around three cents east of the line, depending, of course, on the calculation of the gathering cost in Alberta.

Mr. Douglas: Since the minister had already said seven cents, do I take it he is now prepared to allow the price of gasoline to rise by eight cents, giving the companies another cent per gallon? What price does he propose to fix for home heating fuel in the two areas after present feedstocks are depleted?

Mr. Macdonald (Rosedale): Mr. Speaker, there are variations within the various oil products. This is an approximation of what the change should be. The actual costs with relation to a particular product will be determined after information is received from the companies. Therefore it is difficult at this point to give a precise figure for home heating oil or any other product of the oil barrel.

Mr. Speaker: The Chair will recognize the hon. member for one further supplementary and then the hon. member for Charlevoix to complete the first round of questioning. I will return to the hon. member for Okanagan Boundary and others who have supplementaries on this subject.

Mr. Douglas: Is the minister now saying the government is committing itself to keeping the price increases on gasoline and home heating fuel west of the Ottawa Valley down to seven or eight cents and east of the Ottawa Valley down to three cents? Also, what machinery does the minister propose to set up to enforce that decision and to monitor any increases that may take place above those figures?

Mr. Macdonald (Rosedale): Mr. Speaker, that particular machinery will be in the bill which will be introduced to provide the new petroleum administration system.

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[*Translation*]

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—METHOD OF ALLOCATING FUNDS

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Has he divided, by riding, the funds allotted YOP projects and, if so, will this information be made public and when?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the allocation of funds for Opportunities for Youth will not be on the basis of a constituency breakdown. It will be on the basis of 33 labour market areas in Canada, as I have explained on two or three occasions in the House and on several other occasions publicly.

* * *

ENERGY

ACTION TO ENSURE DEVICES THAT WOULD INCREASE GASOLINE MILEAGE NOT BEING WITHHELD FROM MARKET

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is supplementary to that asked by my leader. It is directed to the Minister of Consumer and Corporate Affairs. In view of the rise in gas prices in British Columbia by as much as 10 cents per gallon, have the minister and his department made an investigation to ensure there are no patents or devices that would increase the mileage of gasoline motors that are being withheld from production or held off the market?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, while my department is responsible for the law regarding the issuing of patents, I think such investigations really come more under the department of Science and Technology or the Department of Industry, Trade and Commerce.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Winnipeg North for one last supplementary on this subject and then the hon. member for Medicine Hat.

INVESTIGATION OF INCREASE IN PRICES OF MOTOR OIL AND OTHER LUBRICANTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to ask the Minister of Energy, Mines and Resources whether he will look into claims of industrial users such as truckers that during the so-called price freeze on gasoline there were substantial increases by the oil companies in the prices of oil, grease and other lubricants?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there has been considerable discussion on this point. Up until the first ministers conference, while we had exercised restraint with regard to the two principal products, motor fuels and home heating oil, we had not attempted to exercise restraint on all the other products that come from the petroleum barrel. As of that conference, we asked the industry both east and west to restrain their prices on all products, so it depends on whether the hon. member is referring to the period after the January 22 conference. If it is the latter, I would be glad to have details of any violation about which he may have knowledge.

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AGRICULTURE

SUBSIDY TO BEEF PRODUCERS—REQUEST FOR STATEMENT ON OPERATION OF PROGRAM

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I wish to address a question to the Minister of Agriculture with

regard to the beef subsidy program. In view of the continuing confused and depressed cattle markets across Canada, and in view of the meeting just last night with the cattlemen, is the minister prepared to make a statement as to the beef subsidy after two weeks of operation?

In particular, will the minister tell us whether he is prepared to extend the deadline for A-3 and A-4 cattle to ease the very heavy deliveries now being made of these heavier cattle, resulting in still lower prices? Further, will the minister be including grades B and C in the subsidy program?

● (1140)

Hon. E. F. Whelan (Minister of Agriculture): All I can say at this time is that I held discussions, shortly before entering the House with people other than the Canadian Cattlemen's Association who feel they also represent beef producers. I feel I must make the statement that the present program will be continued or that a new program, if one is to be devised, will take its place. But a statement of this kind will be made later this day, Mr. Speaker.

DAIRYING—NEW SUPPORT PROGRAM—POSITION OF FLUID MILK SHIPPERS

Mr. William C. Frank (Middlesex): Mr. Speaker, I should like to ask the minister a supplementary question relating to subsidies. Even though the minister's statement on the new milk policy for 1974-75 will be welcomed by the industrial shippers, may I ask what consideration the hon. gentleman is giving to the fluid milk shippers whose costs are also escalating and who will now be receiving only 40 cents more, in Ontario, than the industrial price?

Hon. E. F. Whelan (Minister of Agriculture): I am sure the hon. members knows that the fluid milk shippers come within the jurisdiction of their own provincial marketing boards and in general they are looked after pretty well. I think he should also recognize that industrial milk shippers are involved in a high quality type of production, practically the same as many fluid milk shippers, and many of their products are shipped in the same tank truck, though they are paid at different rates. A great deal of confusion exists even in that industry. The new policy we hope to establish for the future should place milk producers on a more equal basis.

Mr. Speaker: Order, please. I have the impression that we have been sidetracked from beef to milk. Perhaps we should have tried to deal with supplementaries on the matter raised by the hon. member for Medicine Hat before turning to this subject. But I will recognize the hon. member for Middlesex and then the hon. member for Battleford-Kindersley. I assume he will be returning to beef.

Mr. Frank: I am well aware that provincial boards had the jurisdiction, as the minister stated, prior to his program last fall of subsidizing the consumers through the five-cent program. I am satisfied, though, that they are now controlled by this program and that individual provinces cannot raise their prices—

[Mr. Hargrave.]

Mr. Speaker: Order, please. Would the hon. member ask his supplementary. Without referring particularly to the hon. member's question, I am wondering whether an effort might not be made today by all hon. members asking questions, and all ministers replying, to limit the time taken for both questions and answers. I am sure this would be helpful.

Mr. Frank: My question is: does the program the minister introduced last year not prevent provincial boards from increasing the price?

Mr. Whelan: No, Mr. Speaker. Every agreement we have signed with the provinces has a provision in it whereby, if they can prove costs have increased by 7½ per cent to 10 per cent—each province operates under a different formula—we have an obligation. We have always met that obligation when they have presented proper facts and figures to us.

SUBSIDY TO BEEF PRODUCERS—ALLEGED POOR ADVICE BY DEPARTMENTAL OFFICIALS AND LACK OF CONSULTATION WITH INDUSTRY

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, I have a supplementary for the Minister of Agriculture. Because of the chaos created by the recently announced beef subsidy, and in view of the fact proper consultation was not held with people in the industry, is the minister prepared to deal with those members of his department who misdirected him or, failing this, is he prepared to tender his resignation from the cabinet?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Horner (Battleford-Kindersley): It is high time this government began to answer for its mistakes.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I could say that question was a lot of bio-mass material. Anyone who says that the trade was not consulted does not know the facts, and does not care to know the facts, either.

Some hon. Members: Hear, hear!

DAIRYING—REQUEST FOR ASSISTANCE TO NEWFOUNDLAND MILK PRODUCERS BY LOWERING COST OF FEED GRAIN

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Agriculture a question. What steps is he prepared to take to assist Newfoundland producers? The price of milk in that province increased by 5 cents recently raising the price of a quart of milk to 55 cents. Is the minister prepared to assist Newfoundland producers by bringing down the cost of feed grain, thus enabling the cost of milk in Newfoundland to be reduced?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member knows that Newfoundland producers are assisted with respect to feed grain supplies to a greater extent than any other feed grain users in Canada. The rest would be up to the prov-

ince through whatever program it might wish to develop. We are also developing a program through the Minister of Regional Economic Expansion to aid agriculture in Newfoundland to the extent of several million dollars so that the industry there can become more efficient.

ACTION TO ENSURE PACKING PLANTS PASS ON BEEF SUBSIDY TO PRODUCERS

Mr. Bill Knight (Assiniboia): Mr. Speaker, since the livestock market is still in an extremely precarious position, may I address a question to the Minister of Agriculture arising from the hon. gentleman's statement in the Standing Committee on Agriculture that some of the large packing firms were not co-operating in this program? Can the minister tell us what type of regulation and control he is considering imposing upon the packing plants to ensure that the subsidy is in fact passed on to producers?

Hon. E. F. Whelan (Minister of Agriculture): I can only reassure the hon. member that our desire is to ensure that this beef premium does go back to the producers. That is where it is supposed to go, and if everyone in the industry—I mean everyone, the organizations representing the cattlemen, the packers, the Meat Packers' Council, the beef producers organizations—if they all co-operate they can make this plan work.

ALLEGED CATTLE MALNUTRITION IN SASKATCHEWAN BECAUSE OF BAD WEATHER AND FEED SHORTAGE

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I have a question for the Minister of Agriculture. Is the minister aware that bad weather and extreme shortages of feed have left cattle starving or suffering from malnutrition, with the result that the situation has reached emergency proportions in parts of Saskatchewan? What action is the minister prepared to take in this regard?

Hon. E. F. Whelan (Minister of Agriculture): This has been suggested before, Mr. Speaker. I have asked the health of animals branch for a report. I am sure the hon. member knows that the first responsibility falls on the provincial authorities. As yet, I believe they have not made representations for aid. Our figures show that in fact there is not the amount of starvation and malnutrition that some people are suggesting. This situation occurs every winter to some extent. It is a very difficult job to police every person who has a cow.

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RESTRICTIVE TRADE PRACTICES COMMISSION

REQUEST THAT VACANCIES IN MEMBERSHIP BE FILLED IMMEDIATELY

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs arising from the statement by the acting chairman of the Restrictive Trade Practices Commission that he is unable to carry out his responsibilities because of a lack of staff. Does the minister intend to fill the vacancies on the commission immediately and, if not, why not?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): It had been the intention of the government to make appointments to the commission when we have a better idea of the decision of parliament on the form of the new competition law. However, this matter is under consideration and it is likely the government will be in a position to make an announcement shortly.

Mr. Grier: In view of the fact there have been continuous vacancies on this commission for four years, would the minister tell us why the government feels it was suitable or proper for those vacancies to continue for such a long period? How does he expect parliament or the country to give credence to his assertions that he intends to give the commission greater responsibilities when he will not—

Mr. Speaker: Order, please. The hon. member's supplementary is argumentative and not a proper question.

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AGRICULTURE

BRUCELLOSIS—LEVEL OF COMPENSATION PAID FARMERS WHOSE HERDS DESTROYED

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to address a question to the Minister of Agriculture. On March 6 the minister announced plans in the House to reconsider the level of compensations to be paid to farmers whose herds had to be destroyed because of brucellosis. He was going to make a submission to the government. Has that submission been made, and when does the minister plan to make an announcement?

● (1150)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the submission has been made and an announcement will be made soon.

Mr. Baker: Would the minister inform the House whether there was an element of retroactivity in respect of this matter in the submission made to his colleagues?

Mr. Whelan: Mr. Speaker, the hon. member will have to be patient and wait for "soon".

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ENERGY

AGREEMENT WITH PROVINCES ON PRICE OF CANADIAN CRUDE OIL—AMOUNT OF ALBERTA AND SASKATCHEWAN REVENUES SUBJECT TO EQUALIZATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister in respect of the equalization aspect of the agreement reached with the provinces on Wednesday. The Prime Minister said there would be equalization payments of at least $100 million. Does this arise from some informa-

tion that the provinces concerned, Alberta in particular, will be taking a certain proportion of the revenues into their general revenue and therefore this will be subject to equalization, or does it mean that if Alberta chooses to do so all this revenue can be put into capital projects and hence there would be no equalization payments? Was there at least some understanding that a certain proportion of the money Alberta gets will go into its general revenues?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a very important question. I can say it was discussed at length both at the general meeting and at the private meeting I had with the premier of Alberta. Indeed, the same question arose with the premier of Saskatchewan. The reason we gave the figure of $100 million is that it was based on an understanding we had as to what the premier of Alberta and the premier of Saskatchewan would do with their funds. I cannot, of course, speak for them with any authority, but both of them did give me enough facts that we were able to calculate this $100 million minimum. It is based, as the Leader of the Opposition suggested, on the knowledge we have of what Alberta intends to leave as a minimum in general revenues as opposed to a capital fund.

Mr. Stanfield: I have a supplementary question, Mr. Speaker, in view of the importance of this matter. Does this mean that if the provinces of Alberta and Saskatchewan decided to put all their receipts into capital projects there would be no additional equalization payments arising from this agreement of last Wednesday?

Mr. Trudeau: Mr. Speaker, stated hypothetically, of course this is correct, but these are not the facts as they exist. If they did that, the Leader of the Opposition would be correct, but they have assured us they will not do that. I think that is the fairest and clearest way of stating it, but I could carry on the discussion if the Leader of the Opposition wishes.

Mr. Stanfield: What I am really asking is, is there an understanding that Alberta is going to put a certain proportion into general revenues, or is it simply left to Alberta to do whatever it chooses?

Mr. Trudeau: Mr. Speaker, I have Alberta's word that it will do as I state, leaving a certain—

Some hon. Members: Oh, oh!

Mr. Trudeau: Well, I don't know why hon. members are laughing, Mr. Speaker. This was a gentlemen's meeting, and we do not propose to legislate any obligation on Alberta. We could, of course, if that is the course the Tories opposite want us to take.

An hon. Member: Oh, no.

Mr. Bell: It was the NDP that said that.

Mr. Lambert (Edmonton West): Don't be nonsensical.

An hon. Member: No one here suggested that. That comment did not come from us.

[Mr. Stanfield.]

Mr. Trudeau: Mr. Speaker, in respect of the matter of oil and following the questions of the Leader of the Opposition, perhaps I could speak on a question of privilege in order to clarify a point. The answers the Minister of Energy, Mines and Resources gave to the questions posed by the Leader of the Opposition have caused me to want to make a clarification, particularly when looking back at the statement I made yesterday in the House on the average price of crude. I realize this is pretty complicated and technical, but I want to make sure that the effect of it is understood.

Mr. Fairweather: The technical part is anybody's guess.

Mr. Trudeau: Of course, if the hon. member for Fundy-Royal is not interested I will give that directly to the Leader of the Opposition.

Some hon. Members: Oh, oh!

An hon. Member: Go home and sulk, Pierre.

An hon. Member: Friday morning!

An hon. Member: Don't be insulted.

Mr. Trudeau: I was not insulted, I was trying to be helpful.

Mr. Fairweather: I have never seen a thinner skin in my life.

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INDIAN AFFAIRS

AUDITING OF FUNDS ALLOCATED TO INDIANS FOR DEFENCE IN JAMES BAY CASE—REQUEST FOR INFORMATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is to the Minister of Indian Affairs and Northern Development. Will he advise the House whether his department has already audited the books of the Indians of Quebec Association, and their lawyers, as is claimed by the president of that association and, if so, will the minister make any such data public immediately to clear up any possible misunderstanding that the $1 million allocated to their defence in the James Bay case has gone chiefly toward legal fees?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, civil servants of the department have been in contact with the Quebec Indians Association for months.

I understand that the assistant deputy minister wrote to the association on January 7, or thereabouts, requesting additional information but that he has had no reply. In any event, the matter is before the committee. To my mind, its members can really help clarify the matter. As for me, I have not intervened in the debate recently. This is the information I was given this morning.

[*English*]

ENERGY

OIL PIPELINE EXTENSION TO MONTREAL—REASON FOR REJECTION OF EXTENSION OF EXISTING SARNIA-TORONTO LINE

Mr. Cyril Symes (Sault St. Marie): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the fact that half of the proposed Sarnia to Montreal pipeline will be built along an existing oil pipeline from Sarnia to Toronto which has enough space capacity to supply the Montreal region if extended, will the minister explain why the government rejected merely extending the Toronto pipeline, thereby resulting in a saving of time and money?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the answer is the same as the one I gave the hon. gentleman in committee last night, namely, that the size of that pipeline would not be adequate to provide for additional throughput in the case of an emergency in the Montreal market. Whether or not it would be adequate for the first 250,000 barrels a day, it certainly would not be adequate to provide additional security to Montreal.

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ADMINISTRATION OF JUSTICE

REASON THAT CERTAIN EMPLOYEES OF DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS NOT PROSECUTED FOR THEFT

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to direct a question to the Solicitor General of which I have given him notice. It follows the question I asked on March 6 of this year. Is the Solicitor General now in a position to advise the House as to the reasons the RCMP did not lay charges against any of the six employees of the Department of Consumer and Corporate Affairs for borrowing government goods and taking them to their residences? Can he give the facts and the reasons charges were not laid?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the RCMP made a complete investigation of this case following which they consulted with the Crown prosecutor for the Ottawa area. After consultations the Crown prosecutor advised there was not enough evidence to support a charge and as a result they followed the advice of the Crown prosecutor and no charges were laid.

Mr. Dick: Mr. Speaker, in view of the fact that under the British North America Act the provinces have control of the administration of the courts but cannot administer something until it is before the courts, or cannot administer something unless a charge is laid, the RCMP must have adopted as their own the reasons of the Crown prosecutor. Therefore I wonder whether we can now be informed what those reasons were? If there was insufficient evidence for the laying of charges, why were these people then subjected to dockage of salary for a certain number of days?

Mr. Allmand: Mr. Speaker, when the evidence is clear the RCMP lay charges without consulting the Crown Attorney or the Crown prosecutor, but when the evidence in a case is not that clear they consult with the Crown Attorney. In this case, on the basis of the total evidence or set of facts put before him, the Crown Attorney advised that there was not enough evidence and the RCMP accepted that advice.

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SPORTS

OLYMPIC COIN PROGRAM—ALLEGED IMPOSITION OF SALES TAX BY MANITOBA AND BRITISH COLUMBIA

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Prime Minister. Because of the many problems plaguing the Olympic coin program as far as production, the rise in cost of silver and other things are concerned, and keeping in mind the fact that the government has instructed some banks not to even accept coin orders, will the Prime Minister indicate what steps the government plans to take to clear up these problems of the coin program which is so vital to the success of the Olympics?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, the answer is very simple. The first Olympic coin issue was so successful that there are none left for sale in Canada. Our only problem lies with the packaging of the coins. Measures are taken to support the efforts of the Mint and that is the reason for the delay in the shipment of some of these cases. Further measures will be taken to prevent the same difficulties from arising during the issue of the second series.

● (1200)

[*English*]

Mr. Jelinek: Since the Postmaster General is answering the question, I wonder how coin sales are doing abroad because I noticed, for example, that in Japan there was an abundance of Olympic coins several months ago, but there was a delay in the first issue of coins in Canada. While I am up, Mr. Speaker, I should like to ask the Postmaster General what action the federal government is taking to prevent the NDP governments of Manitoba and British Columbia taking a rip-off on the sales of Olympic coins through the imposition of a sales tax which was not originally planned?

[*Translation*]

Mr. Ouellet: Mr. Speaker, in answer to the first part of the question, I can say to the hon. member that we have completed the projected sales in Japan and the quotas set for the United States and Europe have been more than met. This means that we had no difficulty selling out the first series of coins. As to the second part of the hon. member's question, he said earlier this week that from now on he would have a thorough knowledge of the facts before asking questions on olympic matters. I suggest therefore that he follow his earlier remarks and get to the bottom of all his questions before putting them.

[*English*]

IMMIGRATION

ALLEGED ENTRY OF CRIMINALS FROM THE UNITED STATES—GOVERNMENT ACTION

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that known criminals are entering Canada through the Niagara Falls and Fort Erie ports of entry, and that the Hamilton and Burlington police run a shuttle service to the border returning known American criminals to the United States where they are able to re-enter Canada in a matter of hours, what immediate and specific action does the minister plan to take to alleviate this situation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): First of all, Mr. Speaker, I have had no such representations whatsoever from the Attorney General of the province of Ontario. So far as I am concerned, this allegation may have some substance but there are no facts available to me to indicate it is the case.

Second, the whole set of immigration procedures has been tightened up to the degree that, with the co-operation particularly of the Toronto police, the situation is very much in hand. Third, it has already been announced that with regard to people who have been deported and who come back into Canada there will be stiff penalties imposed by legislation that my colleague the Minister of Justice hopes to place before the House in this session.

Mr. Kempling: Can the minister explain the breakdown in border surveillance recently when a well known American criminal was admitted to Canada through Fort Erie and subsequently apprehended by the Ontario Provincial Police?

Mr. Andras: Mr. Speaker, there are 40 million visitors from foreign lands who come to this country every year. Generally speaking we applaud this because it is tremendously beneficial to the tourist industry. When there is free movement of 40 million people there is bound to be the odd one who gets through who should not, but we are doing our best to control it.

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PENITENTIARIES

GOVERNMENT ACTION TO ALLEVIATE SHORTAGE OF PSYCHIATRISTS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Solicitor General. In view of the fact there are only 14 full-time psychiatrists in the federal penitentiary service and in view of the fact that the Solicitor General has admitted it is very difficult to attract psychiatrists to the service, what measures is he taking to solve this critical problem?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have asked our penitentiary officials to do all they can to attract more psychiatrists. I have met with groups of psychiatrists, Mr. Speaker.

[Mr. Ouellet.]

Some hon. Members: Oh, oh!

An hon. Member: What did they find out?

Mr. Allmand: Mr. Speaker, I would recommend it to the opposition.

Some hon. Members: Hear, hear!

Mr. Allmand: However, the difficulty is that in the past many of our institutions were built in areas or small towns away from the large centres and it is difficult to attract psychiatrists to those areas. In addition, it is difficult to attract psychiatrists away from very large, lucrative practices in the private sector. We are doing all we can to get more psychiatrists. Very often we have to go abroad to get them.

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INDIAN AFFAIRS

INQUIRY AS TO ACTION TO ALLOW HIGHER ROYALTY FOR OIL PRODUCED ON RESERVES

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Will the minister tell the House whether the proper regulation will be in place before April 1 so that oil-producing Indian bands can take advantage of the oil price increase by way of increased royalties?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker. An order in council was passed this week to that effect and starting the first of April the Indians of Alberta will receive a higher royalty for the oil that is produced on the reserves.

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GRAIN

INQUIRY AS TO NEGOTIATIONS BY WHEAT BOARD WITH GOVERNMENT OR RAILWAYS FOR PURCHASE OF HOPPER CARS

Mr. Gordon Towers (Red Deer): Mr. Speaker, I should like to address my question to the minister in charge of the Canadian Wheat Board. Is the minister in a position to say whether the Canadian Wheat Board has entered into negotiations with the government or the railways for the purchase of hopper cars?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Canadian Wheat Board has not entered into such negotiations. The government has been considering this whole matter and we are making progress in the direction of ensuring that there will be adequate facilities for the movement of grain in the future.

Mr. Towers: I wonder if the minister could tell us whether or not this will be in the form of purchasing more hopper cars?

Mr. Lang: Mr. Speaker, it will in the sense that everyone has agreed for quite some time that new equipment is

needed for the railways to replace cars which are deteriorating and that the kind of equipment we need is the kind that was purchased previously by the Canadian Wheat Board on behalf of the government, which are now fulfilling a very important function in the prairie region.

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[*Translation*]

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—METHOD OF ALLOCATING FUNDS

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I should like to put a question to the hon. Minister of Manpower and Immigration.

If I understood correctly, the minister said a while ago that the sums allocated for the Opportunities for Youth program would be divided among 33 areas. Could the minister now tell us what basic criteria will be used to redistribute these in each constituency or is he letting each area decide arbitrarily to grant the amounts it wants to the constituencies it chooses so as to favour those constituencies which are represented by Liberal members, as is now being done?

Mr. Speaker: Order, please. The hon. member will surely admit that a question asked in these terms is not acceptable. If the minister can reply to the first part of the question without reverting to motions, the Chair will allow him to do so. I remind hon. members that the end of the question period is approaching quickly and I hope that we shall be able to recognize rapidly some of the hon. members who wish to ask questions.

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have indicated to hon. members in the House, and I wrote to every hon. member on February 28 clearly setting forth the formula for the allocation of OFY funds to the 33 labour-management areas in Canada. There has not been in the past and there is not intended to be this year an allocation as such to each constituency because the statistical base of that procedure, applied to this program, does not seem to fit. So the selection of projects within the 33 management areas will be on the basis of merit and we will do our best to administer it in favour of hon. members.

ALLEGED SHORTENING OF OFFICE HOURS—REQUEST FOR EXPLANATION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Since the public service has been allowed to stagger its hours of work, why is it that the Manpower office seems to be contracting its hours rather than expanding them?

● (1210)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I know of no area or location in which Manpower offices are in fact contracting their hours. We have had some beneficial experiments in the city of Toronto where we have been opening later and staying open later to meet the experimental project requirements at the mall—at the market. We think it has been very good but, unless the hon. member can give me specific information, I do not think the premise of his question is correct.

Mr. Korchinski: I will be very glad to give the minister specific information. The Ottawa office is open only until 4.30 p.m. and I wonder why in the world Manpower offices cannot stay open longer hours.

Mr. Speaker: Order, please. I was hoping the hon. member would not try to convey to the minister the information he was seeking but would ask a supplementary question.

Mr. Korchinski: The minister asked for it.

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CONSUMER AFFAIRS

TELEVISION SETS—HAZARDS CREATED BY DEFECTS—GOVERNMENT ACTION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the fact that in the United States in the last 18 months 1,039 injuries and 14 deaths have been attributed to defective television sets, which has prompted the imposition of mandatory safety standards for television sets and resulted in the recall of more than 40,000 colour sets for the correction of shock and fire hazards, would the minister inform the House whether similar problems exist in Canada and, if so, what steps have been taken by his department to protect Canadians from similar tragedies?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, this has been under investigation in the hazardous products branch of my department. My recollection is that the design of sets in Canada has not caused the same number of problems, but the branch is prepared to act under the Hazardous Products Act if the situation requires it.

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ST. LAWRENCE SEAWAY

SUGGESTED ELIMINATION OF TOLLS AND DOCKAGE CHARGES

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, my question is directed to the Minister of Transport. Having regard to the fact that shipping companies pay about $25 million in tolls and dockage fees, and that this amount, if released to the shipping companies, would enable them to make a fair settlement with the SIU now on strike, and having regard to the fact that if this strike continues wheat shipments will be greatly reduced, will the minister take under active consideration now the lifting of all tolls and dockage charges on the St. Lawrence Seaway system?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, perhaps the hon. member does not know it but

the Minister of Labour right now is in negotiations with the SIU. I would prefer at this stage, in the interests of the Canadian government, not to make any comment on the matter.

Mr. Speaker: The Chair will recognize the hon. member on a supplementary followed by the hon. member for Meadow Lake and the hon. member for Esquimalt-Saanich, after which we will call orders of the day.

Mr. Morgan: I direct my question again to the Minister of Transport. My question was really aimed at the elimination of tolls, lockage and dockage fees throughout the St. Lawrence Seaway system. Will the minister take under active consideration their elimination?

Mr. Marchand (Langelier): Mr. Speaker, I assume that the hon. gentleman knows that this is part of the law and that normally the seaway is supposed to finance itself. It has never happened in the past, but this is part of the law. It is not an easy question to answer at this time.

* * *

EXTERNAL AFFAIRS

ETHIOPIA—GOVERNMENT EFFORTS TO ALLEVIATE EFFECTS OF FAMINE

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I should like to address my question to the Secretary of State for External Affairs. In view of both personal and newspaper reports from Ethiopia that there is famine and widespread starvation there is the minister's department considering some emergency relief to the stricken areas in that country?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government of Canada, as I have indicated a number of times in response to questions in the House, is already engaged in a massive effort to help the situation in Ethiopia.

LAOS—REASON FOR SEEKING ADJOURNMENT SINE DIE OF INTERNATIONAL COMMISSION FOR SUPERVISION AND CONTROL

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is also addressed to the Secretary of State for External Affairs and it concerns the International Commission for Supervision and Control in Laos. Is the minister prepared to tell the House what prompted the government to announce recently its decision to seek an adjournment *sine die* of the commission. Is it that matters have improved so much there, is it because of frustration, or is it because the commission is no longer effective?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the reason is the final one mentioned by the hon. member, namely, that the commission is not effective, and our concern that we might be asked to take on responsibilities under the new agreement that has been signed in Laos, an agreement which we do not think attracts the obligations that we have under the existing agreement.

[Mr. Marchand (Langelier).]

Mr. Speaker: Perhaps the Chair might be allowed to recognize the hon. member for Vancouver Quadra before calling orders of the day and the matter raised by the hon. member for Esquimalt-Saanich might be pursued further during the next question period.

* * *

[*Translation*]

HARBOURS

PORT OF VANCOUVER—INTENTION OF GOVERNMENT RESPECTING DEVELOPMENTS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I should like to ask a question of the hon. Minister of Transport.

Is it his intention to allow the proposed developments for the port of Vancouver to start immediately, or will this have to wait for the submission of the conclusions of the joint study made by the federal and municipal governments?

[*English*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am sorry, I did not get the question exactly. I thank the hon. gentleman and I regret that I was not listening to the first part. Perhaps he would like to repeat the question.

[*Translation*]

Mr. Clarke (Vancouver Quadra): Mr. Speaker, does the hon. minister intend to allow the proposed developments for the port of Vancouver to start or will they have to wait until the federal and municipal joint studies are completed?

Mr. Marchand (Langelier): I do not think so, Mr. Speaker. This is connected to the study we are making jointly with the province and the city of Vancouver.

GOVERNMENT ORDERS

[*Translation*]

WAYS AND MEANS

EXPORT OF OIL FROM CANADA

Hon. Jean-Eudes Dubé (for the Minister of Energy, Mines and Resources) moved:

That a ways and means motion with respect to export of oil from Canada, notice of which was laid upon the Table, Thursday, March 28, 1974, be concurred in.

Motion agreed to.

[*English*]

Mr. Speaker: Is there a suggestion that there is to be a debate on this motion? I would remind hon. members that there is no debate or amendment permissible under Standing Order 60(10). That is why the motion was simply put, and I assume it is carried. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1220)

[*Translation*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITION, ADMINISTRATION AND OFFENCES

The House resumed, from Wednesday, March 27, consideration of the motion of Mr. Gray that Bill C-7 to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to make a few comments on Bill C-7, which has been before us for a few days and which, I believe, has a great importance for Canadian consumers.

The bill before us has a bearing on many fields, of course, and its object seems to be to promote and encourage fair competition and above all to stem unfair competition. This bill will govern misleading and dishonest advertising, about which we often heard complaints. It seems that its object is to assure us and most especially the Canadian consumer that he will not to be taken in, not be abused by misleading advertising.

Mr. Speaker, considering my interest for a type of dealers, as I spent several years in the food and especially the confectionery business, I thought I would say a few words on this bill to invite the minister responsible for it to give special attention to what we call independent merchants.

We know very well that those merchants, those corner grocery store owners, are often a bit squeezed by competition from big food chain stores. To the extent that competition from major food chains is fair, they are beyond reproach.

However, we know very well that the minister was made aware of this situation through briefs from various associations concerning giveaway sales usually called "loss leaders". I think it is important to remind the responsible minister how significant it is for these various groups to be able to make representations to the committee; I would like to comment mostly on that, and I will remind the minister of a discussion I had with him on the matter of how the complaints presented by these groups are instrumental in making it possible for the independent merchants to compete against chain stores.

We are well aware of the fact that the consumer is very often impressed by the price of some product which at first may seem very low. Moreover, we know that these stores advertize "loss leaders" a lot, and that the consumer will have to pay, sooner or later, because all these stores cannot, anymore than any other, sell at a loss. The independent merchant, the "corner store grocer" has real difficulties with chain stores which can put up such competition. I think the minister is well aware of many remarks made by these groups, and I hope that when the bill is referred to the committee, their spokesmen will present grievances and will show proof of what they have been saying as we know for the past few months.

In my opinion, it is important to remind the minister to ask those agencies to give us a better understanding of the situation as well as all the pertinent data so that we, members of parliament, may submit the necessary modifications to protect the independant businessmen who have the right, as everybody, to live in today's society.

Mr. Speaker, I will therefore be brief. I would like to comment on the risk of exploiting young athletes. I know that the Minister of National Health and Welfare (Mr. Lalonde) mentioned last week that an agreement had been reached between the National Hockey League and the World Hockey Association to give reasonable compensation to those agencies and club managers who made it possible for the young people to develop their skills.

I was very pleased to hear the recent statement made by the minister, because I know he has a very special interest for those young athletes who want to make their dream come true and practice their sport in a professional way.

The government must be on the alert and prevent any exploitation of young athletes whose participation in sport activities it is our responsibility to promote as much as possible.

Recently I heard the hon. member for Sherbrooke (Mr. Pelletier) talking about the extraordinary sports potential in our universities. I think it is the duty not solely of the Minister of Consumer and Corporate Affairs (Mr. Gray) or of the minister responsible for amateur sport to advocate grants or legislation to encourage young people to participate in sport activities of all kinds. If at all possible, we must strive for full use of the potential of our university students.

I would also like to say now a few words on the position of the government regarding football, a question which seems to interest a great many people in Canada. The minister's opposition to the coming of an American club in Canada is questionable and is now being discussed on a national basis.

Canadian football stands up well at present as regards competition. It is perfectly normal that a new league be set up and should no one be surprised about it. We had the advantage of having the Expos in Montreal, surely not a Canadian team, but it did encourage thousands of young people to become professionals and a little more skillful in this sport.

Could the American Football League bring about the same motivation? This is a question which I cannot answer now. To what extent would American football be able to "kill" Canadian football?

Perhaps the minister did not provide us with the necessary information in this regard to enable us to come to a conclusion. I had the opportunity of discussing this with a few Montreal sport broadcasters and they seemed very surprised to see the present attitude of the minister.

If the minister wants to give us the assurance that the arrival of an American football club in Canada would "kill" Canadian football, I am prepared to consider the

importance of the Canadian football survival, but not being convinced that the arrival of an American club would be prejudicial to Canadian football, I have many reservations and I surely cannot suscribe to the minister's comments as regards this matter.

I dare believe that within the next few days we will have furhter information. Perhaps the bill that will be put forward will indicate whether there is really an obvious danger as the minister assumes.

On the other hand, we have quite opposite views and I believe that amateur sport would seem to favour the advent of American football in this country.

As I said, I am quite willing to consider the risks which may result from such a team joining the Canadian Football League. However, if the coming of such a team could result in some motivation and compete with the existing teams, I think that it could serve as an incentive for the other teams. Canadian athletes who are in search of excellence would be very happy to see a team which offers—we must recognize this—a performance of very high caliber.

I shall be satisfied with these few remarks, Mr. Speaker. Personally, I am very eager to meet the committee of organisations who are willing to give evidence or submit grievances to the minister in connection with the exploitation they suffered at the hands of these independent merchants. I take this opportunity to ask the hon. minister to seek considerably more information on American football before advising us that the establishment of such a team would harm, let alone destroy, Canadian football.

I hope therefore that adequate information will be made available to allow us to make a better assessment of the bill to be presented by the government and to consider if it is dangerous or if it is of sufficient interest to the Canadian people.

I would believe that these few remarks will be taken under consideration by the minister and that when the bill is before the committee we will be provided with additional information enabling us to improve on this bill, which is very useful and desirable. However, I do think that there is room for improvement and believing that the minister will welcome the amendments brought forward, we all hope as members of parliament and as Canadians that we will be provided with an effective legislation capable of giving better protection to the Canadian consumer.

● (1230)

[*English*]

Mr. Bill Knight (Assiniboia): Mr. Speaker, the topic we are discussing today, involvement of the public sector of government in the area of competition, is of keen interest to me when viewed in relation to the development of the industrial base over the next several years.

I suggest that competition legislation in Canada, through the Combines Investigation Act, and in the United States through the commissions that have been established there in the last 100 years, has been responsible for the development of some of the largest conglomerates that exist in the private business world today. A corporation such as IT&T has been able to extend its tentacles in the last three decades under the pretence that

legislation exists which calls for competition and the breakup of monopolies.

In my view, Mr. Speaker, the legislation before us today is crap; it is a coverup for collusion, for the development of oligopolies, of oligop—I will have to get the hon. member for Peace River (Mr. Baldwin) to give me the proper word. The development of inter-related directorships in multinational corporations within our economy will continue and false advertising will continue under a government that will not establish a Combines Investigation Commission with enough employees to operate it in order to break up these monopolies.

An article in the "Report on Business" section of the *Globe and Mail* of March 28 deals with developments in agribusiness which affect the economy of western Canada. It states "Cargill Grain purchases feed farm operations". Note, Mr. Speaker, not just elevators, and not just some aspect of the industry in which Cargill has been involved since 1928; it extends its tentacles, as a multinational corporation, into all aspects of the farm and agriculture business. The article reads:

> More than 280 prairie grain elevators, a retail feed business and a hog breeding farm have changed ownership in a multimillion dollar deal between Canadian subsidiaries of two large U.S. agricultural companies.
>
> Cargill Grain Co. Ltd., of Winnipeg is purchasing the two principal operating subsidiaries of National Agri-Services Ltd., also of Winnipeg. Cargill is a unit of Cargill Inc. of Minneapolis and National Agri-Services is owned by Peavey Corp. of Minneapolis.

What we have, Mr. Speaker, is consolidation of agribusiness and the expressed purpose of that consolidation is to expand that agribusiness in the farming industry. In my view that would be to the detriment of every individual producer in the prairie region.

No government, Liberal or Conservative, has ever legislated or taken effective action to ensure that expansion of a corporate entity in our economy can be curtailed or even properly examined, to ensure that competition will exist and that the western producers and western economy will be well served. So Cargill Grain will expand and take over National. I recall that when farm-owned wheat pools bought out Federal Grain over a year ago, both Conservatives and Liberals in western Canada raised a hue and cry. I can be just as critical at times of the pool operation, but now we see the private speculators of the Grain Exchange in Winnipeg attempting to consolidate their position in order to be able to expand into the ordinary aspects of farming. We do not hear a word about that from the members of the Conservative or of the Liberal Party. Mr. Speaker, this kind of legislation will have no effect on the conglomerates, the monopolies and the large corporations which are operating in Canada today. The expansion of agribusiness will become an ever-increasing and serious problem.

It is an amazing thing about our modern economy that certain parts of it have become a planning system; that the multinational corporations and the very large corporations plan their operations on an internal basis from the time they get the raw resources out of the ground, through the processing and until they are sold on the market as finished goods. This takes in the development of General Motors and the automobile operations in this country as well as those in the United States; it takes in the steel

conglomerates, it takes in rubber and tires and the operations in almost every major sector of the economy. There is no essential public control or demand that there be competition in the area of economic activity in which these corporations are engaged.

There is another sector of the economy in which some of my colleagues to my right and some members of my own party are involved. They run a small independent type of business which may have assets of a quarter million or a million or two million dollars. These businesses have to account to Statistics Canada and fill out the forms. Any action initiated by competition legislation will be directed toward them. They are operating in a market system of supply and demand where the rate of return is rather low and the profit marginal. In a modern economy such as ours they are constantly under pressure. One company may compete with another company with assets of between $1 million and $2 million, and the competition may continue until one company has its throat cut. Before they reach that point, they might make a deal and set prices. Companies like this are also under pressure from the public sector, in that they must observe certain minimum wage and salary levels. Such regulations may make their operations marginal.

● (1240)

Further, such companies can be under pressure because multinational conglomerates are always looking for new companies in which to invest money. They purchase small companies and absorb them. Thus, small companies often face frustration. They are hemmed in by regulations made by the public sector and frustrated in the market place, as they must often compete with multinational companies which plan their operation from the stage at which raw material is taken out of the ground until it is marketed in finished form. Further, these multinational conglomerates operate in the economy without being subject to public control, in that they do not compete. I submit that those who are concerned about the economy of North America or about the international economy should not waste their time, when dealing with multinational companies, in uttering pious hopes that the multinationals will compete. The suggestion, often put forward in this latter half of the twentieth century that any country by itself can force multinational conglomerates to compete, is preposterous. For over 150 years it has been proven that they do not compete that, indeed, they fix prices.

What alternative is open to us? I say that the democratically elected representatives of the Canadian people must make sure that there is a measure of public control over the activities of such corporations. I include the steel conglomerate in my remarks. We can no longer live in the dream world in which people believe that multinational conglomerates compete. The public sector, the representatives of the people of Canada, must have a voice in the operations of such conglomerates. It must have the right to involve itself in pricing policy; it must have the right to hold such companies publicly accountable with regard to taxes they pay. Operations which use our resources, many of them non-renewable, must come under public scrutiny.

We assume, as was assumed in the latter part of the nineteenth century and the earlier part of the twentieth century, that we can break up conglomerates and force them to compete. That thinking has been dominant in the philosophy of political parties in this country, including my own. The liberal theory has always been that you can induce competition if you break up the conglomerates. I suggest that such theories are outdated. They do not work, either in Canada or in the United States, as is evident from events. Therefore, any attempt to break up the conglomerates will be futile.

I suggested just now that these large corporations should be accountable to the public. It is our responsibility, as legislators, to make sure that smaller companies can operate and survive in the market. We must try to make them as flexible as possible so that they can survive and use what is called initiative in their operations. As for the large conglomerates, we cannot expect to break them up.

Let us see the extent to which directorships of Canadian corporations interlock. To that end, I want to direct the attention of the House to the board of directors of Canadian Pacific Limited. Directors of Canadian Pacific Limited also serve on the boards of many other companies. Consider, for instance, the directorships held by Mr. Sinclair, the President of Canadian Pacific Limited. He sits on the boards of Canadian Pacific Investments, Canadian Pacific Securities, Canadian Pacific Air Lines, Midland Simcoe Elevator Company, Cominco Limited, Pacific Logging, Marathon Realty, Canadian Pacific Steamships, Trans-Canada Pipe Lines, Great Lakes Paper Company, Soo Line Railroad, Canadian Pacific (Bermuda), MacMillan Bloedell, Sun Life Assurance Company, Cascade Pipe Lines and Pan Canadian Petroleum.

The foregoing companies all belong to the CP family. In addition, Mr. Sinclair sits on the boards of Royal Bank of Canada, Union Carbide of Canada, the firm which is telling farmers in my area that they must pay more for anti-freeze because there is a shortage but which will not tell them how much anti-freeze it has on hand; on the boards of Hockey Canada and of Canadian Marconi, which is connected to the Power Corporation, which, in turn, has connections with the Liberal party and with the President of the Treasury Board (Mr. Drury), who is present in this chamber. In addition, he sits on the boards of Canadian Investment Fund, Canadian Fund, Sun Alliance, London Insurance Group, the group which is supposed to be competing with Sun Life Assurance Company previously mentioned, Chase Manhattan Corporation, which is supposed to be in competition with Royal Bank of Canada, on the board of which Mr. Sinclair also sits, and, to show that he is interested in some public service, he also sits on the board of Royal Victoria Hospital.

What about other Canadian Pacific directors? Consider the case of Mr. William Arbuckle. He, too, sits on the board of Canadian Pacific Limited. As well, he sits on the boards of Canadian Pacific Investments and of Rio Algom Mines. Those companies are in the Canadian Pacific family. Turning our attention to companies outside the family, Mr. Arbuckle sits on the board of Investment Secretariat Limited. Actually, he is the president of the company. In addition, he sits on the boards of Owen, Owen Canada, of G.W. Robinson Company Limited, and Standard Life Assurance. He sits, with Mr. Sinclair, on the board of Sun Life, which, by these interlocking directorships, is connected to the Royal Bank. In addition, Mr. Arbuckle is on

the boards of Dominion Equity Investments, Standard Life Assurance, Tioxide of Canada, Great Plains Development Company of Canada, Asbestos Corporation, and Dominion Dairies. He is involved with the food industry. I say this for the benefit of hon. members who, in common with the hon. member for Toronto-Lakeshore (Mr. Grier), are concerned about rising food prices. Mr. Arbuckle also sits on the boards of Burma Mines and Yukon Consolidated Gold Corporation, which may interest those who wonder why the price of gold has been rising on the international market.

● (1250)

Canadian Pacific, as an investment corporation, has connections throughout the entire economy in terms of their operations. I submit that neither the Combines Investigation Act nor all the legislation that has been produced to this time, have ever once tackled the question of the operations of the large multinational corporations within the economy with a view to doing a substantial job of trying to create real competition. Their pricing mechanisms, involvement in raw resource materials and getting funds for public investment goes on and on.

If Canadian Pacific cannot use the Royal Bank of Canada through Mr. Sinclair, they can go to Mr. Burbidge, a director of the Bank of Montreal. If they cannot get the money at the Royal Bank, they can go to the Bank of Montreal. If they cannot get it there, they can go to one of the insurance companies in which they have directors. If people are worried about the price of paper, they can go to another director of Canadian Pacific who is involved in the Great Lakes Paper Company and several other paper companies.

In terms of investment to take over more companies, they are involved in Royal Trust through Mr. Campbell who is a director of that company. He sits on the board of another railway, which is rather interesting.

If Canadian Pacific is interested in buying more and more raw resources to control the market, they have a Mr. William Bennett who is a director of such corporations as Iron Ore Co. of Canada, of which he is president, BNA Holdings Ltd., Quebec North Shore & Labrador Railway Co., Gulf Power Co., Canadian Reynolds Metals, Eldorado Nuclear Ltd., Philips Electronic Industries, Labrador Mining & Exploration, Eldorado Aviation, Canron Ltd. and Gleneagles Investments. That gives him connections in the business world.

I could go on and on about other members of the board who sit on large corporations, such as National American Wholesale Grocers Association and IGA Canada Limited. In that way, they are involved in the food industry.

There is one who will be of great interest to my friends to my right. He is not only a director of Canadian Pacific. I wish to name him because I do not want my friends in the Liberal party to think I am picking on them. This is the Hon. Duff Roblin, a former Progressive Conservative premier of Manitoba. He serves on the board of Canadian Pacific. For his service to the province of Manitoba, he was rewarded by Canadian Pacific. He is president of Canadian Pacific Investments. In order to make investments in Canada, he sits on the board of directors of the Montreal Trust Company so that funds and investment

[Mr. Knight.]

are readily available. He also sits on the boards of Canadian Pacific Securities Limited, CanPac Leasing Limited, CanPac Minerals Limited, Fording Coal Limited, Pacific Logging Company Limited, Cominco Limited, Pacific Coast Terminals Limited and Project 200 Properties Limited.

My point in referring to the operations in Canada of the Canadian Pacific conglomerate is to try to get across my central point to the government, other opposition parties and maybe some of my own colleagues. In spite of all the talk about breaking up conglomerates and causing competition, it is utterly preposterous to suggest in any way, shape or form that they will be broken up. Historically, it has been proven that quite the contrary is taking place. Power is becoming more and more concentrated in the hands of a very few select corporations which are spread throughout the Canadian economy. What we need from these corporations is public accountability and public control.

It is preposterous to talk about breaking up these kinds of operations. There is not a cabinet minister, including the Minister of Transport (Mr. Marchand), or a potential minister in the Tory shadow cabinet, if there is one, who will move legislation in this House in my lifetime to bring about real competition within the business sector of our economy.

It is an outmoded theory to say that legislation can be brought in that will break up the conglomerates. There is only one direction in which we can move. That is to accept the reality of their existence and recognize their power and influence in our economy. Using that as a basis of action, we must move toward some public accountability on the part of these corporations, and indeed some public control, so there is not private planning by IT&T and other corporations such as Canadian Pacific, Power Corporation of Canada and others which is in their own self interest. The Canadian people, through their elected representatives, should have some say in the overall planning of the economy by having public control. That is the only way to handle the operations of conglomerates in this country, not by the outdated Combines Investigation Act. That is utterly preposterous.

Mr. Speaker: It being one o'clock, I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am glad to welcome such a large and distinguished audience to this public meeting this afternoon, including the Minister of Supply and Services (Mr. Goyer) who I am told will be making a great number of supplementary answers to questions which the Prime Minister (Mr. Trudeau) and his other colleagues found it difficult to deal with this morning. I understand that the minister in that good humoured way of his and with the knowledge which reaches out and encompasses so many things, is prepared

to answer any questions at all which may be addressed to him.

Just before one o'clock we had the pleasure of listening to the hon. member for Assiniboia (Mr. Knight) making one of those typical enthusiastic tub-thumping socialist speeches which he does very well with great resourcefulness and ingenuity. It was, of course, a replay of what we have been hearing from the hon. member for York South (Mr. Lewis) with nauseating frequency for the last year or so, but at least it showed that his research department is able to produce the same names and the same figures.

To some extent I agree with the hon. member. There is a problem created in this country and in other countries by the in-breeding, the economic intermingling, of people in a certain walk of life, in a certain economic position, who have been elected to the boards of companies as the hon. member noted. I can say I do not regard this development with any pleasure, but while I agree with the hon. member to a limited extent, I would dislike even more what we would see under a socialist government—a particularly large complement of over-academic, over-educated, under-knowledgeable academics of a pink tinge in the form of bureaucrats who would proliferate on the hundreds and hundreds of boards which a socialist government would create to run the affairs of this country to such an extent that in due course you and I, Mr. Speaker, would require a private briefing before we would be allowed to go to the bathroom.

Mr. Baker: An order of the Privy Council.

Mr. Baldwin: We would need an order in council before we could make a motion in chambers.

The reasonably good case the hon. member for Assiniboia made is diminished by one significant fact. I should like to take hon. members back to the proceedings of the House last session. Hon. members then displayed the same intellectual and political dishonesty and fraud they have practised in this House since the last election. They talk to the left and they vote with the government. They say one thing and do another. At that time we were dealing indirectly with the question of combines. The government had seen fit, when it was confronted with a situation it was unable to handle, to act in its normal way. As in any situation in which this government gets involved, it panicked as a result of that confrontation. The Prime Minister (Mr. Trudeau) panicked, as did the Minister of Energy, Mines and Resources (Mr. Macdonald), and with incorrect statistics and wrong information they rushed into parliament and ultimately obtained the passage of a bill referred to as the allocations bill. Included in that bill were several clauses which provided that the severity of the combines legislation would be modified. In certain eventualities, the restrictive trade practices regulations would be inapplicable, and under a certain set of circumstances, they would be diminished entirely at the whim of the government.

● (1410)

I felt, as did the leader of this party and my colleagues, with that regard for the rights of the ordinary individual which has always prompted us in the positions we take inside and outside this House, that this was wrong; it was unjustified and unwarranted. There is no shadow of a doubt that it was the multinational corporations, and the evidence taken before the committee discloses this fact, who insisted on the energy allocations bill. Many of the provisions in it were brought forward at the assistance of the technical advisory committee which was dominated by people from multinational corporations. They were the ones who wanted this diminishing effect and, in some cases, the almost complete abolition, of parts of the combines legislation.

We did not believe this was necessary, and we proposed an amendment at the report stage which gave hon. members of this House, and I stress the word "honourable", the opportunity to agree with us that it was improper that large corporations should be entitled to evade the provisions of combines legislation. As might be expected, the government, which is very friendly with those corporations, went along with the corporations and opposed the amendment. I had thought that my friends to the left, the members of the NDP, whose principles I knew were dragging on the ground at that time, would at least recover sufficiently to vote with us and stop this monstrosity being perpetrated on the people of Canada.

An hon. Member: You are not half as sweet as your honey.

Mr. Baldwin: What did happen? Those hon. members pocketed their principles. They crept, they slid and they slithered into a position of reliance on our friends opposite in the government and voted against us. Now, they have the unmitigated gall and temerity to come into this House and, through their spokesmen, particularly the hon. member for Assiniboia (Mr. Knight), who was speaking before lunch, and say they do not like these multinational corporations or the prospect that exists for this form of intellectual economic inbreeding. They say it is wrong and they say unctuously they are going to oppose this, even after giving us these figures and the names. I suggest that is fraud and hypocrisy. I would ask to what depths has this great national party fallen? I know it is no longer a new party, but ancient and probably one of the oldest in the country now. Perhaps we can forgive their sins of indiscretion on the grounds of the age of the party itself. However, I am certainly shocked and find it difficult to reconcile the stand of the New Democratic Party of that time with the speech the hon. member for Assiniboia made this morning.

I see my hon. friend, the member for Winnipeg North Centre (Mr. Knowles) looking at me. I do not know whether it is with admiration or what, but I do find it difficult to make that reconciliation.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, perhaps the hon. member would permit me to satisfy his curiosity. I am looking at him with compassion as he must not be feeling well.

Mr. Baldwin: I thank the hon. member.

An hon. Member: You should eat some of that honey you sent around.

Mr. Baldwin: Mr. Speaker, I am glad that I at least got compassion, because it was hon. members on the government side who got the support from the NDP.

Having disposed of the NDP, particularly the hon. member for Assiniboia, I should like to turn to another aspect of this bill. In the debate that has raged on about this bill and its predecessors in parliament, in the press, by labour and in the country generally, many people have professed to see different things in it. To me, it is just one more episode in the long story of the growth of authoritarianism, the demand by the government to be able to interfere further in the lives and activities of all people, and that is not just shown in the bill itself but in what it represents and the trend it indicates.

This drab mediocrity of officialdom, confronted with problems beyond its limited comprehension, has posed one answer, and that is to give it more power so it can fix things up. The minister and his officials have stumbled and blundered away over the last year or so; they have advanced and retreated, then finally brought in bills and withdrawn them. Now they have come up with this scissors-and-paste job in this new proposal as a formula for what? To truly and effectively help the inflation-ridden consumer, is that its design? I suggest there is only a miniscule of effort in this regard. To exercise any real constraints over those in industry who are large enough and unscrupulous enough to victimize the public, is that the intent? Well, I suggest there is a little bit of that here and a little bit there, but not very much in total.

Does this bill do anything about the growing capacity of big labour to squeeze the people of this country, sometimes just in the interests of those professional labour politicians whose concern is in staying on top of the pile? I suggest nothing of that sort appears in the bill at all.

The history of legislation dealing with combines and restrictive trade practices here in Canada, in the United States, in England and in Europe has all been of a pattern; a checkered story of failure to find a legislative form which can contend with the natural forces of the market place, where the vaguely defined public interest often gets lost in the millions of individual transactions involving goods and services.

The chronology has been to legislate, litigate and prosecute, followed by a long list of court failures. Anyone who is at all interested in reading the court records or the law reports will find a long series of judgments on the appeal side of the court level which shows that I am correct, and that the failures of litigation under the combines legislation have been considerable. After these failures, it has been the practice to legislate again, with ringing statements that the right formulae have now been found. Then we see more litigation and again the admission of failure. This process has gone on like that ad nauseam. If this minister and his supporters really believe that this bill will be any different, then I say to his face that the government is either negligent, stupid or deceitful, or a combination of all three.

Some of my colleagues have dealt with this aspect of the matter in more detail, but I leave it by telling you just as forcefully as I can that when this bill is passed, as I assume it will be passed, we will be opening up a Pandora's box of litigation in the courts and before the commission; a lawyer's paradise in which the arguments will run the gamut from lack of jurisdiction based on a constitutional position to technicalities as to the meaning of the fine print in this bill. I say, Mr. Speaker, that we should bring everything out into the light. We should make the corporations, the companies and the unions aware that this government is concerned and will take action; but this bill is just another example of government shirking. It is much easier to pass off consumer complaints to one commission or another than to take an active role in finding solutions to these complaints.

● (1420)

Many years ago, before I came to this place, I was involved closely in a study of the workings of the combines legislation during the course of my private practice, always on behalf of the consumers. Since coming here, I have been concerned with it in this House, from 1959 to 1960 when the then government attempted to deal with the question of resale price maintenance and other amendments, and I have watched the attempt from time to time to bring in new laws. I kept track of the jurisprudence and read some of the statutes, so that I am not unfamiliar with the combines law and the restrictive trade practices regulations. I say, through you, Mr. Speaker, to the minister, that I see nothing in the present bill which suggests to me that it will be any different or will offer any real relief or assistance to the people of Canada, particularly the consumer who is so monstrously overwhelmed by existing conditions. The fact is that events are in the saddle and ride mankind. This bill does not go to the root of the trouble; it does not even scratch the surface.

I shall not go into any detail in connection with the few clauses which deal specifically with aid to the consumer. Others have dealt with them effectively. They are apparent, they are obvious and have some value. I suggest they will have a minor effect here and there, but on balance in my judgment not a great deal. The answers to the real complaints of consumers in these times of skyrocketing prices ultimately will be lost in the legislative jungle of this bill. Canadian families will still suffer from such practices as double-ticketing and the like, and the stores will only become more adept at changing stickers. This bill is not the answer.

When we, as members, come to make the assessment of whether or not we can conscientiously in our opinion support this bill—and speaking for myself I say I have not come to that decision—we will have to put on the scales the defects which are inherent in the legislation, in particular, the wide extension of powers which have been thrust into the hands of the Restrictive Trade Practices Commission. Man's seeking, probing mind creates many wonders, but also many problems and dangers, such as the Frankenstein of atomic and hydrogen nuclear weapons which might well have destroyed us and still pose threats, or the pollution-producing industrial activity of the large overcrowded centres of population. To me, it is the institutions of government which are most likely to do the worst damage. History shows that invariably the means we establish to control and order our affairs end up by going out of control and, too often, a society commits suicide like a skier starting an avalanche and riding it down to destruction. So it is with the government. It grows bigger

and more powerful, more ominous and inherently more dangerous in its capacity to crush with its own weight.

Look at the power that it is proposed be vested in this commission. I shall not go into all the details but in effect it gives almost complete authority to the commission to order supplies for anyone who wants to get into a business and is prevented from doing so because he cannot obtain supplies. I suggest this opens up a very wide avenue of arbitrary authority. It gives the commission authority to cancel any arrangements which limit a dealer to selling one line of goods exclusively and so on. The hon. member for Trinity (Mr. Hellyer) and the hon. member for St. Paul's (Mr. Atkey) have gone into this in some detail. They have illustrated the extent of the authority given to the commission. The powers given are not really powers which a board of this kind with its experience, has the capacity or the knowledge to handle. It is a board which we learned as recently as this morning consists of only one acting chairman and no members experienced in these matters. I think it is outrageous to ask the House to pass legislation of this kind without giving the House some indication of the type of people likely to be appointed, having in mind the vast authority they will be allowed to exercise in interfering so intimately in every aspect of the lives of the Canadian people.

Even more important, these powers are to be vested in a board or a commission which is not really subject to parliamentary control. It is a board which would be quite definitely susceptible to government pressure. The bill will be passed and the minister and the government will then have to cast about to find personnel to fill the board. I do not suggest there is anything corrupt or improper about this, but the people who will be appointed to this board invariably will be subject to political persuasion by this government. I think that is completely wrong, and I shall make a proposal about it before I finish my remarks. It will be a board which, probably to a great extent, will operate in the darkness and secrecy of the closed rooms of the Ottawa bureaucracy. I know there are other provisions, but I wonder how extensively they will be used because, despite any suggestion that it will function on a judicial or quasi-judicial basis, there is nothing to compel it to act in that way.

Yet the board is authorized to make the most searching inquisitions, and to deal summarily with the affairs of people. My colleagues have demonstrated this in many good speeches. It needs no repetition. The contents of the bill speak eloquently on this score. So, I do not think there is any honest trade-off to persuade us to give up to a tribunal of this kind the arbitrary and impressive authority detailed in this bill in exchange for the very minimal proposals alleged to help the consumer. I am not prepared to collaborate in this unevenly balanced proposal by voting for this bill. I think this is a decision we have to make as we are frequently called upon to do. It seems to be the practice of this government to bring before us an omnibus bill, legislation containing a variety of proposals, some of which contain a few small measures of relief which are of some value. However, balanced against this always is the granting of excessive and arbitrary power.

We are compelled from day to day in this House to make this choice in respect on an omnibus bill of this kind. We must make a decision whether we will see that the people of Canada obtain the minimum benefits contained in the legislation or disapprove of things in which we do not believe. We must carry on this exercise of balancing the scales. The minister is asking us to approve things which in my opinion are defective and fall short of the standard we should follow. I shall find it difficult to say yes to this bill when the votes are being taken. When considering these powers, I think we should be entitled to a little survey to see to what extent governments make use of this authority, and how they use it, because I think that is the litmus paper we must use in this particular experiment.

● (1430)

For example, over the last few days we have been listening to the Minister of Transport (Mr. Marchand). I must say I admire the minister because he has probably found at long last the formula for which some hon. members opposite have been looking to find favour in the West. They have been criticizing the Liberal government and criticizing the CPR. By putting the two together, they hope to find the formula which will find favour in western Canada. But the minister has been complaining bitterly that he does not have enough authority and power to deal with the staggering problems of western Canada in particular, and of all Canada in general, which we face today with regard to transportation, particularly railroad transportation. I have to look at this in the light of the decision which we are being asked to make today. All one has to do is to examine the National Transportation Act, and having done that I say to you, to the House, to the minister opposite and to his friends, that the Minister of Transport has all the power he wants if he only had the guts to act on the legislation and to make something happen.

Under the National Transportation Act, for example—and I am not debating it but using it as an illustration—the railway company must—the word used is "shall" which has a mandatory implication—furnish adequate and suitable accommodation for carrying, loading and delivering of traffic and receive with due care and diligence. To me, the word "diligence" has one meaning, that is to do a thing diligently. It does not mean to come in here, as has the Minister of Transport, whimpering, whining, crying and saying: "I don't like this bill; it does not give me any authority. I must have a study and a new bill". The minister has all the authority he wants in this act.

Some hon. Members: Hear, hear!

Mr. Baldwin: As a matter of fact, one can go beyond that because, when we passed the national transportation bill—some hon. members here were present at that time—we debated this issue and the powers which were to be granted to the commission. At that time I challenged the then minister of transport, the very eloquent and astute Jack Pickersgill who piloted that legislation through, in respect of the powers which were being sought for the Transportation Commission. He said the bill contained all the power and authority which the commission wanted.

I think he was right, because if you look at section 46 of the National Transportation Act, you will find these words:

The Commission may make orders or regulations

(a) with respect to any matter, act or thing that by the *Railway Act* or the Special Act is sanctioned, required to be done, or prohibited;

(b) generally for carrying the *Railway Act* into effect;

So any time, at the request of the government or on its own initiative with the authority which was vested in the Transportation Commission, which is comparable to the authority that this government is asking be given to the Restrictive Trade Practices Commission, the Transportation Commission could make an order. It would also go beyond that. We had a fascinating debate at that time as well with regard to the power which Mr. Pickersgill sought for that commission to exercise sanctions.

Section 46 (3) of the National Transportation Act reads:

The Commission may by regulation or order provide penalties, when not already provided in the *Railway Act*, to which every company or person who offends against any regulation or order made by the Commission shall be liable.

So if the Minister of Transport, who has the authority, wanted to exercise it, he could say to the Transportation Commission: "I want you to order the railway companies to provide the cars and facilities to carry the freight and to do so diligently and carefully". Having made that order, the commission could include in the order a provision that if they do not do what is ordered, a penalty will be imposed. I do not suppose that capital punishment could be imposed; it is outlawed anyway. They could not hang any official of the railway company. But if you read the clause carefully, it has a very wide and significant effect. The commission could make an order and say: these will be the sanctions, the penalties and the punishment imposed for non-compliance.

What more authority could the Minister of Transport hope to secure in any new legislation? Surely, when we come to assess whether we should now give effect to the pleas of the Minister of Consumer and Corporate Affairs (Mr. Gray) and pass the bill giving these vast powers to the government or to a board created by the government, we are entitled to ask ourselves how they have acted, how they have used the powers which were given to them. When I think about it, I realize that all that the commission and the government did was to close down some branch lines and prevent some passenger trains from running. That was easy. They were hand in glove with the railway companies. But when they are asked to act on powers which they have been granted and they refuse to do so, using as an excuse that the transportation affairs in Canada are in a mess so we must have a new study and a new bill, that is transparent nonsense.

I have been talking about the National Transportation Act and I may have gone a little too far afield, but I was prompted by my enthusiasm. While I am dealing with the Act I want to talk about an amendment which I hope the minister, the government and the committee will consider when the bill receives second reading and goes to the committee for study. When the National Transportation Act was being passed, some of us in the House, I think the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), myself and the hon. member for Crowfoot (Mr. Horner), whose constituency at that time had another name, were considering the implications of this granting of powers to the commission and the government. We thought there should be some check, some method by which there could be at least a reasonable measure of parliamentary control. I believe that Your Honour was here at the time and participated actively. I know that you are now sitting in a very neutral and detached position, but if you cast your mind back to those days of glory in 1966 and 1967, you will remember that at that time I proposed an amendment. I will not read the whole amendment because it has different characteristics.

[Mr. Baldwin.]

I proposed that a clause be added along these lines: as soon as practical after the commencement of the first session of each parliament, in any event not more than 15 days after the commencement of the said session, a committee of 12 members of the House of Commons, to be known as The National Transport Act Committee, shall be appointed for the duration of such parliament according to the practice of this House with reference to the appointment of members to serve on standing committees. Then I went on to lay down some of the details, making it quite plain, however, that the powers and duties of the committee were to examine the annual report of the commission made to the governor in council. I think that we might well apply that principle to the facts which we face today.

● (1440)

As I say, in spite of my opposition there is no doubt that this bill will pass. There is no doubt that in due course the government will get around to appointing a new commission, and that commission will start to function, again as I say subject to no parliamentary control. I would like to suggest that some consideration should be given to appointing a special committee or, if necessary, enlarging the terms of reference of the existing committee. The latter might be difficult because of its problems in dealing with legislation and with estimates. But we should not have this bill finally passed on third reading without inserting some provision in it for parliamentary control of the operations of the arbitrary and authoritative Restrictive Trade Practices Commission that will come into being when these powers are vested in it.

I keep harking back to the fact that this bill includes the two things, aid of limited value to the consumers and the granting of powers to the commission. I suggest to the minister that it would have been the better part of wisdom for him to bring in a bill dealing with consumer protection alone. But he has chosen to combine the two, as is invariably the policy of the government.

I hold no brief for big corporations or big unions. I say that I fear and worry far more about big government. It feeds on itself and grows. It hives-off. Small sections become large divisions, and some day may even emerge as departments. It does very well for itself financially by taking other people's money through the tax structure. It has now become so vast, so gigantic, so complex that there is not one single person in the country who can comprehend it or direct it, or certainly control it. To balance the puny values given in part of this bill against the monstrous grab of more government power does not appeal to me, and I have no intention of supporting the bill. As I say, it will likely pass, but not with my help.

I serve notice that in the future I intend to continue challenging bills of this character where the same type of authority is being vested in government, with the acquisi-

tion of new powers and the establishment of new governmental monsters which will have to be considered in comparison with the value and usefulness which otherwise appear in the legislation. And there will have to be some valid equivalent before such bills are acceptable to me. I would suggest that others in the House and outside it should do the same. I particularly direct my attention to many of those involved in big business and industry. I refer to them because many of them are opposed to this bill, but for different reasons than mine.

It is a common sight to see hundreds of leaders of industry and business hiking down here, briefcase in hand, to push and prod government into programs and policies which make them the beneficiaries of government hand-outs. It does not sit too well with me to hear these people, in face of this record, complain about aid being given to those who really need assistance. It weakens their complaint in respect of this legislation. You and I, Mr. Speaker, know the legal motto that he who comes into court must come with clean hands, and he who seeks equity must do equity.

Everywhere we detect cynicism and distrust of the processes of government. It is interesting that in the morning edition of one of our newspapers there are two articles dealing with this in both Europe and Canada. People note that the gap between promise and performance, in respect of the present government in particular, is wider than the Grand Canyon. The so-called remedies for our social and economic problems which are sought by men at the top level of government are always the same—power, authority and secrecy. This government has lost its credibility.

There is rot, and the sour stink of decay is apparent around the corridors of power in Ottawa, just as it is in other capitals. These are the facts uppermost in my mind when asked to support this bill which gives so little and demands so much, and which persuade me not to vote for the measure.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, it has been said that this is a bill that will give some small degree of assistance, and allow this or any future government to take some action on behalf of the consumers. This competition bill, if it does anything, will provide some of the means whereby the interests of consumers can be protected, if the government so wishes. That is the assumption, but it may be that the assumption can be called into question even at this point in time. Perhaps we are in the same position as nations going to war. Historians point out that nations have often gone to war using the weapons of the last war, which very quickly were shown to be obsolete. Much money had been spent developing them while an enemy country was in the forefront of the development of more modern death dealing weapons.

A quite significant statement was made in this House recently by the Minister of Transport (Mr. Marchand), and made in a befuddled way. It was not surprising that he was befuddled because he had to admit he had a department over which he did not have control, that he was running a transportation system but did not know how it worked, and that the system had failed but he did not know why. One positive statement he made was that competition no longer existed in the transportation industry. That industry is pretty big in Canada, covering ground, air and water, and when the minister said competition does not exist in it he was merely stating the obvious.

At one point in time there was a controlling body governing rail rates. Then, the provinces gave franchises to truckers. Certain firms were given the exclusive right to go over certain highways and serve certain communities. The amount of load the trucks can carry on the highways may be different in each jurisdiction, and there is bargaining over rates within provinces. The air traveller, whether he uses Air Canada, CPA or Nordair also finds that competition just does not exist any more.

This morning the Minister of Agriculture (Mr. Whelan) said he had a new dairy policy. All it really amounts to is the provision of new rates of subsidy, different from existing rates. If the costs, and the price to consumers are set by government fiat, by government direction, we must ask ourselves how much competition exists in that industry. If you want to go further than that and consider the wholesale and retail level then, when one co-operative in the province controls 80 per cent of the sales of industrial milk and when one multinational corporation can control 60 per cent of the product, how much real competition exists in that part of the food industry? If this is the case in important sectors of the economy, then how are we going to control the price of certain foods or services to the consumer by pretending that competition exists or that by some device it can be forced to exist?

● (1450)

The minister in charge of the Wheat Board has been juggling the feed grains industry for years now. There is a secret document floating around that no one knows anything about—except all the major grain companies, the National Farmers Union, the Canadian Livestock Feed Board, the Farmers Union in Quebec and many others. Apparently the document proposes to put the Canadian Livestock Feed Board in control of the forwarding of grain. It is going to have complete control of the movement of feed grains, but at the same time they are proposing to open the Winnipeg Commodity Exchange. I suggest they are labouring under a delusion because you cannot have controls and the Winnipeg Commodity Exchange or any other exchange dealing with the same product. You must do one thing or the other. If you do both you get the worst of both worlds, and it is mainly the producer who suffers.

It is not what this competition bill proposes to do that bothers me or the manner in which it is proposed. What bothers me is that we have the minister and the government trying to deal with competition without recognizing how the real world operates, while the ordinary consumer is getting gouged.

In an article which appeared in the Ottawa *Journal* of January 15, 1974 under a Montreal dateline appears the following statement:

> Crown Prosecutor Bruno J. Pateras said Monday that three of eastern Canada's largest sugar refineries overcharged their customers an estimated $125 million between 1960 and 1973.

Even if this competition bill had been passed, this could easily have happened. Eventually, somebody might try to

charge such companies with a breach of some law but they could easily have overcharged to this extent. They control the sugar market and so are not subject to competition; they are not going to support the type of bill that is being shoved through this House. The Canadian government could have done two things to control the price of sugar. It could have helped develop a sugar beet industry here, so that it was not held in bondage to the sugar companies and offshore suppliers. But even the sugar industry in Ontario was not protected. A British multinational corporation, part of a large sugar cartel, was allowed to close down the sugar beet industry in Ontario and the Conservative government of Ontario paid farmers to get out of the business.

The other thing that could have been done was to support the International Sugar Agreement. We did not do that because it did not suit the multinational corporations who now control the industry. Without that agreement they had freedom to rook the consumer and the producer, which is what the story in the Journal says they were doing very effectively from 1960 to 1973. I asked the Minister of Agriculture (Mr. Whelan) some time ago about this matter, and he said that we were not signatories to the sugar agreement but we were observers. The government is an observer while the people of Canada get robbed by the sugar companies! The government is an observer, not an actor, and I fear that they will not be actors in regard to this competition bill either.

I had a phone call from Regina from someone who complained that in Denver, Colorado, he paid $1.89 for ten pounds of sugar while a similar brand in Regina which came in from the United States, cost $2.69, and Alberta sugar, processed in Canada, cost $3.29 for ten pounds. Why is that happening to the Canadian consumer? It is at least in part caused by the failure of the government to develop and maintain a large sugar beet industry in this country, and its failure to sign the international agreement which would have stabilized the price worldwide to the producer and the consumer.

A headline in the *Globe and Mail* of March 14, 1974 reads: "Sugar Price Third Lower in Buffalo" and in the article appears the statement:

> The price of a 10-pound bag of granulated pure cane sugar at Loblaw stores in Buffalo yesterday was $1.89. In the chain's Toronto stores the price was $2.99.

Does the minister really expect this House to believe that this bill will correct that situation? I do not think so. I do not think he would stand in this House today and say that he believes it because no one in his right mind could believe that a simple competition bill will correct such a situation.

This government is not prepared to use the full weight of its power in the interests of the Canadian consumer, and so they will not give any real clout to the board which was set up to look after consumer prices. That is where the crux is. We must be tough. The government will not be tough with these people, as is evident if one reads this bill. If an economist or some agency were charged with the responsibility of investigating thoroughly the prices paid to beef producers in the past three weeks, and the results of such investigation became known, I believe the Minister of Agriculture would have to resign. His program for protecting the producer has failed. At the same time, the price to the consumer has been hardly reduced.

● (1500)

Why is the Food Prices Review Board not reporting daily or at least weekly on what is happening on the meat counters of Canadian stores? That is where action is required, Mr. Speaker, and it should be taken immediately. If you want to know what restrictive trade practices are being carried on, get a list of industries, go to the library and get a book from the shelf. There are books on the sugar industry and on the meat packing industry. If you read the 1961 report on the meat packing industry you will see that the industry is using exactly the same tactics today in its treatment of the producer and the consumer.

Consider production costs of the farmer. The price of fertilizer has increased by 50 per cent over what it was one year ago.

Mr. Whittaker: In some cases the increase has been 100 per cent.

Mr. Gleave: Yes, the hon. member is right; the increase in some cases has been 100 per cent. That is an extra cost the farmer must bear this spring when he plants his crops. Those engaged in horticulture or grain production have additional costs. What will the government do to meet this situation? Even if this bill passes will mean nothing to the farmer in April, May or June of this year. It will not make any significant difference to his situation. This legislation will not help the farmer unless it is changed. Unless somebody works on the bill, it will mean nothing to the farmer.

I see no evidence of the government's anxiety to do something to reduce the price of food and the cost of food production. Extra costs are being built into the food chain right at the production end. This is bound to do one of two things: increase prices to the consumer to levels he can ill afford, or force the food producer into bankruptcy. This is happening in the food industry. It has happened to people in the beef industry and to those in the hog industry. We are not engaged in an academic discussion; the situation we face is very real.

If by any chance, and I do not suppose there is much chance, we can impress upon the minister the urgency of the situation, this debate will have served some purpose. If we cannot, then I am sorry. I think we should take immediate action in the areas I have spoken about, namely, in the production and distribution of food. Let us dash the hopes of some of the monopolies which determine the cost of living for Canadians. Let us change the present situation in which Canadians feel they are helpless in face of conditions beyond their control and apparently beyond the control of governments upon which they depend to protect their interests.

● (1510)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am happy to discuss this bill today. Bill C-7 is very hard to understand for many Canadians. It provides for amendments which, to my mind, will not solve the problem.

Mr. Speaker, with regard to foreign ownership, I would say that at the end of 1970, out of $31.4 billion which represented the assets of the energy industry in Canada, $11 billion, that is 35.1 per cent, were in the hands of foreigners, and 9.8 per cent of those $11 billion were concentrated in the oil industry.

Mr. Speaker, the Canadian people do not own their natural resources. In view of present-day technology and our many universities, there is no reason why we should be so far behind, why we should own so little of our natural resources, and especially no reason why we cannot develop them.

It is all very well to restrict the powers of foreign companies, to impose conditions of all sorts, and to ask that Canadians buy 51 per cent of the company shares. But that poses a problem, Mr. Speaker, because Canadians cannot afford them. Only the large companies listed on the stock exchange can afford to buy them and do something. And to be listed on the stock exchange is another story: first of all, one has to be rich.

A great number of Canadians cannot enter the stock market and through this means develop our natural resources or develop some industries and finish some products in Canada.

In the oil industry, exploration, production, refining and distribution are controlled by foreign-owned companies which control 91 per cent of the assets and over 95 per cent of the sales. About four fifths of the assets controlled by non-residents belong to Americans. The Americans are not to blame if they own industries in Canada, but our governments or government should be blamed since they failed to make the necessary tools available to Canadians, they failed to make the required funds available to Canadians so that they may become owners or stockholders in those big companies.

We have failed to earmark the funds required for the development of our resources, while the Americans have been doing it for a long time. They are issuing credits on our resources, they are cashing in on our resources and are using them to issue credits, and with those credits, they develop natural resources at home or abroad. Canadians did not keep their eyes open. This is our mistake and the minister could not care less. It is all very well to say to the Canadian people: Become owners, buy shares and own 51 per cent of companies' stocks, when most of them are too poor to buy them. Canadians are too poor, industrialists are overtaxed by the federal, provincial, and municipal governments and overburdened with school taxes, municipal taxes, all kind of taxes, and exceedingly high interest rates. No profits are left to industries. They cannot develop. If we want to develop this country, we should make some improvements.

Foreign control over the coal industry, which presently amounts to approximately 73 percent, reflects recent developments in the extraction of metallurgical coal in Western Canada for export markets. The uranium industry is partly State-owned and partly privately-owned 20 percent of the assets being under foreign control. So, that is one industry belonging to Canadians, but it is state-owned and not privately-owned.

The most important source of investment in the oil industry is self-financing which, incidentally, constitutes an even larger share of the investment of foreign-controlled industrial corporations than that of the Canadian-controlled corporations.

Between 1961 and 1970, 66 percent of investments have been made that way, whereas 35 percent of external investments from Canadian sources, that is 23 percent of all capital invested in Canada, were from foreign sources.

Most regions where new supplies of oil and gas are expected to be found have already been allocated to exploration companies by way of permits. Canadian-controlled corporations hold only some 15 percent of permits and leases delivered to provinces the federal government.

Why, Mr. Speaker, Canadians do not invest anymore in these developments? It is one of the most predominant factors where there is a guaranteed market for years to come, and where considerable profits are to be realized. However, Canadians are unable to invest because they are too poor and because financial institutions do not lend to Canadians.

Canadian financial institutions want foreign capital. They promote the exportation of foreign capital and with $1 of this capital, $14 in capital is created.

Mr. Speaker, this is why large financial institutions recommend foreign capital exports. The market control achieved by many foreign companies makes it difficult for less important and newly created corporations to establish themselves.

Because of their vertical integration, the larger oil corporations have a flexibility with which the less integrated Canadian firms can hardly compete; they have also access to financial resources, thereby satisfying their considerable need for capital.

The national oil policy which divides Canada in two marketing zones has been detrimental to the competitive ability of the non-integrated independent firms.

Therefore, Mr. Speaker, it is obvious from these reports that Canadians can hardly become holders of securities in view of the nonexistence of the profit margin, for the government went so far as imposing a capital gains tax, thereby depriving a number of corporations of the benefits they could make by investing. Whoever wants to invest, Mr. Speaker, must kneel before the higher financial institutions and borrow capital at rates as high as 10, 12, 13 or 15 per cent. The financiers are then those who are making profits. Industrialists and the people who work 24 hours a day do not make money; actually, it is those people who do not work who make money. Those who do nothing and use their pens to give credit are those who, because of their prerogatives, exercise their rights to take over the assets of the citizens and transfer them to their own accounts.

That, Mr. Speaker, is what we have. This is why our society has large financial institutions which have no deficits. Mr. Speaker, the assets of the banks were over $15 billion this year, and I think that another $15 billion were invested elsewhere, that is into some type of reserves which are not disclosed for income tax purposes.

Several billion dollars are thus invested in these reserves while other companies are not entitled to build up

such reserves and to invest billions of dollars in them. These large financial institutions have all the powers and they use them at the expense of Canadians and for their own benefit.

The government itself earmarks hundreds of million dollars to assist various foreign companies, and when the Canadian people are in need, they have a very hard time getting small loans. One can apply to the Industrial Development bank, but it imposes all kinds of restrictions, which makes it extremely difficult to get credit. It provides funds only to large institutions without taking any notice of small ones, when it should help all institutions and at very low interest rates. And yet, the Industrial Development Bank is in collusion with all the large finance companies to maintain high interest rates across the board. In this way, they avoid competing with one another and exploit the Canadian people shamelessly. That is where we should concentrate our efforts, that is where the minister should do something, that is where the minister should intervene. However, he does not intervene in the field of finance, but he does intervene in other areas. As for the finance area he does not talk about it.

● (1520)

Mr. Speaker, I would like to quote from a speech reported in *Hansard* for Wednesday, March 13, 1974, by the hon. member for St. Paul's (Mr. Atkey). I congratulate him because I read over his speech that I find extraordinary and very appropriate. The hon. member said:

> So, in the proposals, recommendations, suggestions that we make on various bills introduced in the House, we advocate an economic system based on private enterprise and not on free enterprise or, in other words, monopolies.
>
> Through this bill, the minister meant to put teeth in the Combines Investigation Act. He has incorporated into this bill some positive political measures, but such measures without the adoption of positive economic measures at the same time does not solve anything at all.

That man has been supporting us for a long time and he understands what business means. He is a man who really knows what it is all about. I continue:

> If we pass positive political measures which are not supported by economic measures enabling individuals to compete against monopolies, we will remain in the clutches of monopolies, mergers and combines, which will have to pay fines, but according to the figures quoted today, less than 1 per cent of the profits made by monopolies have been subjected to a fine.
>
> The measures that the minister has included in this bill deal especially with the small businessmen who will be subject to this bill like anybody else, but they will have no effect on the multinational companies.
>
> How can this bill bring about a change? What can Bill C-7 do against multinational companies which are now increasing overnight all prices at the same time, invoking the false pretext of the oil and gas shortage? Under such a bill, the minister cannot act against the multinational companies which hold sway over our economy. The only thing he can do is to fine them $2,000 or $5,000, a ridiculous amount for them which is tax deductible.
>
> What shocked me about this bill, Mr. Speaker, is to note that the government is trying to punish and restrain everybody. However, at the same time, banks are given special privileges.

Mr. Speaker, I admire that man because he knows what business means, where the economic unrest is, where to go, where to knock to improve our economic system. I continue:

> [Mr. Latulippe.]
>
> Mr. Speaker, as we have always said, the banks are the basis of the existing monopoly which controls the others. According to its whim, the monopoly of money and credit can create a monopoly of production or destroy it. And when I hear people who strongly denounce monopolies, and rightly so, in such and such a sector of industry, and yet, refrain from attacking the very monopoly which creates all the others, I feel they fall short of the target. They go only after the small fry, overlooking the villain who will go on with his dirty work.

Mr. Speaker, that is what the hon. member for St. Paul's had to say in his speech. However, we have been talking about that for a long time and we never felt any support in this House. We are just starting to find support because generally speaking several members are beginning to open their eyes, to realize that we can no longer run this country in the situation in which we find ourselves today.

Reforms are a must, Mr. Speaker, but not in the industrial sector, in the research area or about citizens who do not want to work anymore. The reform must be made in the area of finance. Finance must be brought to the service of companies and citizens who want to do something. They will be allowed a certain profit margin so that they can go on growing, improving and developing. If all their profits are taken away from them, nothing will remain. Then nobody is encouraged and everybody is discouraged. They do not want to launch any more into institutions, developments which several people could do because they have the necessary expertise but knowing that they will not be able to succeed, they do not undertake them.

This is where the difficulty lies, Mr. Speaker. This is where the minister should step in. He should study this situation thoroughly and help us find the true solutions. These are easy to find because it is a matter of making credit available to those who need it at reasonable interest rates, in order to prevent price increases, because high interest rates push prices upwards.

With the present system, with inflation, with everything we are presently experiencing, the first cause and the first reason of the difficulty are interest rates which are too high and governments who have nothing to say on the matter. Nobody criticizes the increase in interest rates in general at least, not the ministers, not the right hon. Prime Minister (Mr. Trudeau). Nobody speaks up when financial companies increase their interest rates. It seems as if they were given a blessing. Not a word is uttered, Mr. Speaker.

This is the first cause of the economic unrest we are experiencing. The increase in the cost of living is due mainly to the increase in the exorbitant interest rates charged to Canadian citizens.

I would like to quote from a document:

> It is difficult to appraise the importance of foreign control on these international operations and on the balance of payments. In spite of the size of the operations concerned, the industry's adjustments relating to the balance of payments do not seem to depend much on the owners' nationality. In view of the role played by direct investments in this area, the general trend of the balance of payments, account being taken of the time factor, could have been quite different without these investments.
>
> The results of this foreign control are not limited to the economic sector and the industry; it is to be feared that the extent of this control might hinder the setting of priorities and the environmental action of Canada.

Mr. Speaker, if the existing system had not allowed foreign companies to settle in Canada and develop our natural resources, our situation would be even worse.

Many Canadians were able to earn a living by working for these large monopolies, these large institutions. They were able to earn a living while giving away our resources. Our resources belong to us, but we do not take the necessary steps to develop them with our techniques. We have the same technical and financial tools as any other country. If the United States can issue credits to develop our resources, we should be able to do the same in Canada with all our institutions. We do not even need to create new institutions, we have all the institutions we need, and they are there to operate. Let us give them the power and the responsibilities, let us ask them to issue the required credits for all new developments at very low service fees and interest rates and we shall regain control over our own affairs. We shall regain control over our resources and we shall be able to create additional ones, develop new industries, and finish our raw products in Canada.

Generally speaking, companies have head offices in their own countries. They come here to get our raw materials, and they export them to their own countries. We produce only raw materials. We lack only the capital because we already have the required technology. We have all that we need. If we had the capital, we could finish in Canada most of our products, and we could export our finished products while providing employment for our workers of whom about 10 per cent are now unemployed.

This is not logical in a country such as Canada where we have all kinds of things to build and develop. Our natural resources are enormous but we have no funds to develop them. Our problem is to issue those funds and we will then be able to develop anything as far as this is physically feasible because we have all the necessary facilities.

Foreign investments are not the only ones nor perhaps the most significant at the root of the problem faced by Canada in getting maximum advantages from energy. However, they involve a whole series of expenses for the country. Therefore a single policy is not panacea in this field.

Probably many elements of a general policy in the field of energy will have some influence on the nature and amounts of profits which Canada will draw from these activities. Moreover, any further initiative should be compatible with Canadian objectives both in the industrial and international areas and in the federal-provincial relations field.

It is through wide ranging economic and industrial policies that we will be able to fill gaps which have prevented Canada from undertaking a number of projects, gaps which may be considered as having contributed to the inflow and nature of foreign investments.

Still it should be noted that changes in our energy and industrial policies in general are not likely to influence the factors which govern international investments and the way they flow into Canada; indeed many of those factors originate from foreign institutions and policies. Besides, it may well be that all our policies will not enable us to benefit from foreign investments while mitigating their drawbacks.

One may try to outline the advantages and drawbacks of certain political approaches suggested in public debates and which relate to foreign investments in the field of energy and among those one may mention Canadian participation in the social assets of all corporations, which means that 51 per cent of the capital stock of all new energy corporations or companies would come under Canadian control.

But it would have to be done, if we want this to happen. Then there should be agencies in the operations of which Canadians would participate—public or private organizations, the possibility for an official agency to reserve for itself the potential right of "participating" in the companies concerned, a nationalized corporation operating in that industrial sector, and more frequent control of investments in the energy sector.

There is no equivalent in other northern countries to our attitude towards energy. Forgoing austerity, we have chosen to use energy liberally and to have a style of living similar in many respects to that prevailing in industrialized countries having a warmer climate and a larger population. We wish to enjoy simultaneously both the comforts of city life and the pleasures of the countryside. We are used to living in big houses, surrounded with immense gardens. Our cities cover more land than cities with the same size of population in most other countries. It is all so normal for us to be able to move around as we please and to avail ourselves of local and intercity transit systems transportation, and there are a great many Canadians who, from time to time, enjoy the pleasures of a summer or winter cottage.

This way of living assumes the ready availability of large supplies of energy, because we also have to overcome the problems caused by our weather conditions, our wide-open spaces, and the relatively wide distribution of our population. Our energy policies must take this situation into account as well as its economic and social impact.

● (1530)

Mr. Speaker, as I said earlier, our problems are not due to a shortage of energy. We can develop energy. Neither is it a lack of resources that bothers us. We have more resources than we need, there are large quantities of them that are not yet developed. We will not have any problems for ages, Mr. Speaker, as regards the energy or natural resources we need for the growth of this country and to help other countries as well. We lack nothing.

We also have enough engineers. If our technology is not good enough, we can get some from abroad. We will be able to pay technocrats by voting the necessary funds.

To date, we have no problem in this regard. We often talk about it and we will never say it too often in order to convince hon. members and other Canadians: Let us use our financial institutions and put them at the Canadian people's disposal by making them charge reasonable interest rates on loans.

Besides, any new project, Mr. Speaker, should be developed with new credits and without interest. We should only pay for the administration costs. Then we could develop our resources, we could take over our own wealth.

Therefore, we will be able to urge Canadians to invest, to work, to develop and to control their own resources. When one is one's own master, when one owns something, when one has a small piece of land of one's own, it is

possible to grow. That is the way to build a strong country, with energetic people ready to do anything. Men who have something to do, who own something, are not concerned about their own business only, but with social affairs and the business of others. Those men work in any field. They spend a lot of time and energy to help others and develop the economy of their province, their city, their country.

Mr. Speaker, we shall build a strong country with owners and not only with tenants. We do not need a stable government but strong industrialists to have a stable economy. We do not need a stable government that sits there on its hands, doing nothing. A stable economy is the work of prosperous industries and businesses, of men interested in developing them. Those were the remarks I wanted to make and which might help find some solutions. Our solutions are not miraculous, but reasonable and acceptable to all Canadians because they are logical and complete.

[*English*]

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, when you read a fairly lengthy bill like this you sometimes become a little discouraged about what it is attempting to do. You become a little lyrical at times.

The minister of corporate affairs,
Comes to this House and he dares,
To present us a bill,
Like a sugar-coated pill,
Like Trudeau—as nobody cares.

This is what gets to you, that no one in the government really cares what happens to the people of this country. The government thinks this bill is going to solve the problems facing the people of Canada. Let me deal with two specific features, one of which is procedural and I think is a disaster, and the other the substantive part of this bill. In respect of the procedural aspect, I say to the minister, through you, Mr. Speaker, that for the first time in Canadian jurisprudence we are taking away the function of the criminal courts and giving it to the Federal Court. The government guaranteed the people of Canada some time ago that this would never happen. It said, in effect, not to worry; no criminal jurisdiction would ever be given to the Federal Court.

Look at what has happened in respect of sections 32, 35, 36, 38 and 46 of the act. I suggest that demonstrates criminal jurisdiction being implanted in the Federal Court. This is a serious incursion into the civil rights and liberties of the people of Canada, because the Federal Court has its own rules, regulations and procedures and, in addition, its own rules of evidence. I suggest this is the thin edge of the wedge. This government continues, in its arrogant way, to put more and more criminal jurisdiction and arrogant power into that court where so many of the fundamental rights contained in the British system of justice are denied. I suggest this must be stopped and it must be stopped now.

The Minister of Justice (Mr. Lang) was asked, apparently, for an opinion by the Minister of Consumer and Corporate Affairs (Mr. Gray) on whether it was proper to do this. He was asked at the committee the other day whether he gave his sanction and he replied in the affirmative. He was asked for his reason and he said we should ask the

Minister of Consumer and Corporate Affairs. I have not heard during this debate any good reason why it should be done. If the minister is conscientious in his job, perhaps before the debate is concluded he will tell us why, for the first time in the jurisprudence of any Commonwealth country—certainly for the first time in Canada—a government has taken upon itself to set up its own court, transferring common law and criminal jurisdiction to the Federal Court. And, as I have said, the government promised last year, when this court was set up, that this would never happen.

● (1540)

What are we to expect? The government says one thing and does another. It is about time the people of Canada were alerted to the fact that what this government says one day does not mean a thing the next day. The government does just what it wants to do in its arrogance.

What does this bill really do? Does it deal with the problems of the multinational corporations? The hon. member for Compton (Mr. Latulippe) gave many statistics in this regard. He made an excellent speech. His points were well taken and I shall not repeat what he said. However, what must we come to grips with? This is a negative bill: it does not attack the problems and tell us what we should do.

Let us look at the power of the multinational corporations. The minister knows as well as I do that most of them have more power than him. What does the bill do to improve that situation or to help the small businessman? It does nothing. What does it do in respect of the situation in some labour unions? They must also be considered multinational corporations. I speak for myself in this matter and perhaps not for my party. I think we must incorporate the labour unions because they can be as guilty of infringing fair bargaining practices as many national corporations. Why does the government not have the guts to incorporate the labour unions so that they will sit at the bargaining table as one incorporated company dealing with another incorporated company, so that both sides can sue or be sued and both will have responsible national officers who know what their type of business is all about.

Let us take the next logical step. We could set up a labour court composed of leaders and people who are sufficiently competent in the field to solve these problems. Our country is infested with strikes, fights and lock-outs; people say they do not care what the law says and they will do what they want in any event. What can we do while provincial legislatures and this parliament sit idly by and do nothing? I say that this government obviously is afraid to take a strong stand on this question. Surely some imagination exists in the minds of people on the other side, but so far we have not seen evidence of it.

This is a very lengthy bill. It is a negative bill. There are very few positive qualities to recommend it. If we gave the business community some economic incentive, we would not need this bill because the problem would solve itself. Consider what this government has done with regard to the extractive industries. The foreign-owned corporations receive a much better deal than Canadians from an income tax point of view. So why should they not get together and

set prices? It makes sense—but only because the government lacks the courage to bring in proper legislation to solve the problem.

We would not need much combines legislation if we promoted a good, competitive enterprise economy for which we are supposedly noted. The laws and the income tax provisions which this government impose upon the economy make it impossible for that to happen. Rather than give the corporations 9 per cent off the top, why not tell them that if they increase employment by 5 per cent, for instance, we will reduce the corporate tax by 1 per cent. Is this not the way to stimulate employment? Or we could say to the corporations that if they increased their export sales by 5 per cent, for instance, we would reduce the corporate tax by 1 per cent. These are the economic incentives that are necessary.

My hon. friend from Compton said that Canadians do not have the money to invest. I am sure the minister knows that Canadians have more savings per capita than people in any other country. The money is here and we should encourage its investment. We need investment in the country, and we would have it if we did what is necessary. We would not need negative legislation such as this. It has no positive qualities to recommend it.

The hon. member for Compton also mentioned taxes. The average Canadian is forced to pay a great deal through double taxation and interest rates. The minister does not seem to give a darn about this. We have a mortgage interest rate of 9¾ per cent. Why should we not provide some incentive to home owners by telling them they can deduct "X" number of dollars from their income tax payments. Then there is municipal taxation. We might put a limit on the amount that could be deducted, but if we allowed people to deduct, say $500, for income tax purposes they would have more to invest in this country, and the more investment we have the less will be the need for legislation such as this.

When one reads a bill such as this it is discouraging to realize the time and effort that has been given to it by public servants to produce what essentially is negative legislation. I do not think it will accomplish what the minister has in mind. I am told he will present some amendments in a couple of years. I think we have all received letters from the tobacco and confectionery people pointing out that the minister has told them he contemplates introducing more legislation in two years' time. They were told that last year. Surely by now the minister has had an opportunity to think about this reintroduction of old legislation. If he is contemplating amendments, he has had sufficient time to introduce them.

Does the minister have to test the marketplace? It seems to be the practice of this government to have measures or programs tested without considering fully what they will achieve. I suggest that the government practices "Ad hockery night in Canada" day after day without applying any consistency or logic. I become annoyed about the way in which we handle the estimates. We can talk about combines, but let us consider what the government does. They wanted to take over the DeHavilland plant at a price of $38 million. This item was sneaked through the other night. What opportunity did we have to consider the estimate in interim supply and see what is involved? When we ask questions about this, we are not given answers. We are not told about debts or liabilities. But the government wants members of parliament who are trying to be conscientious in representing our constituents to sanction the expenditure of $38 million for the purchase of DeHavilland. The government had an option for two years. The option must be exercised by the end of June. Surely after two years the government should know what it wants to do.

● (1550)

But do we get the answers? No, they just want a blank cheque for $38 million. To heck with the people of Canada, they are going to do what they want. This is what I object to. How can I go back to my constituents and say, "I am here to represent you, but $38 million is going out the window; I do not know what for or what the benefit is to the people of Canada. This government refuses to tell me"? Talk about a combine investigation! It is this government that needs to be investigated.

Some hon. Members: Hear, hear!

Mr. Morgan: All I am trying to indicate to the government is that surely by now they could do a better job than this bill indicates. Surely they cannot deny the right of the people to take their case to the court of their choice. It is up to the Attorney General of Canada to decide, in the case of an indictment being preferred, if it goes to the Federal Court or not. It is his decision alone. Surely that is denying some of the rights of the people of Canada, and it is something this government said it would never do. That is how good their word is. They just do what they willy-nilly see fit to do. They do not provide any incentives. They do not attack the things that cause combines to occur. Their taxation policy invites combines. Surely the government could employ proper methods to combat this situation. If we were to help the small businessmen who cry out for help there would not be so much trouble with the multinationals. We should support the little guy in this country. This is not being done now. If it were, the minister would not need to introduce this bill; it would not be necessary. We are a nation of people with initiative and imagination. The government should use these qualities.

I do not like negative legislation and this bill is nothing but a bunch of negatives—thou shalt not; thou shalt not. Why do we not turn the coin over and make this legislation unnecessary? Let us not knock down the small businessman. That is what the government's policy is doing now; it is knocking the little guy out the window. Give him the economic drive that he needs and this legislation will not be necessary. Let us have the guts to face the facts of our economic situation. Who is controlling our economy these days? The multinationals and the labour unions. Let us accept that as a fact and go on from there. Let us start solving those problems. Then legislation such as this would not be required.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, a short while ago I said in the House that what this government lacks is what we all crave, namely, a sense of unity and purpose. The people in the area I represent are looking for leadership. For example, we hear the minister saying transportation is a mess. We know

that a new grains policy is to be announced at the start of the next crop year, but we see the minister in charge of the Wheat Board sneaking out press releases. There is a new, secret grains policy being circulated which is bound to cause nothing but anxiety and confusion in western Canada and, I suggest, in eastern Canada as well. Today we listened to the so-called new policy regarding a milk subsidy for the dairy industry. The new policy is nothing more than a small change in the subsidy.

In reading through this bill I found the definition of "business" in the all-encompassing language that is now popular. It is as follows:

"Business" includes the business of

(a) manufacturing, producing, transporting, acquiring, supplying, storing and otherwise dealing in articles and

(b) acquiring, supplying and otherwise dealing in services—

The provision goes on to deal with offences in relation to trade and marketing in Canada. I would like to deal for a short while with the question of government interference into some aspects of our marketing system and policies, particularly in the very important feed grain industry which affects Canadians from east to west.

May I call it four o'clock, Mr. Speaker?

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

Some hon. Members: Agreed.

● (1600)

[*Translation*]

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

PRIVATE MEMBERS' NOTICE OF MOTION

[*Translation*]

INCOME TAX

SUGGESTED TAX REBATE IN RESPECT OF MORTGAGE INTERESTS

Mr. Roland Godin (Portneuf) moves:

That, in the opinion of this House, the government should consider the advisability of granting an income tax rebate equal to the amount paid in mortgage interest on a family home and in municipal and educational taxes, the whole not to exceed $1,000 per year.

He said: Mr. Speaker, I would like first to thank the hon. member for Compton (Mr. Latulippe) who was kind enough to support this motion. I consider it a privilege to have the opportunity of discussing this motion since its purpose is to help Canadians who have made some sacrifices in order to become home owners as well as all those who are contemplating such an opportunity.

Needless to say that I hope to get the House's support so that the people involved will benefit as soon as possible from the passing of this legislation. In my opinion, it is urgent that Parliament should authorize the deduction of

[Mr. Hamilton (Swift Current-Maple Creek).]

municipal and school taxes for owners of family homes, as is the case with owners of apartment houses.

Evidently, large mortgages should also receive the same attention, if we really want to give Canadians a chance to become home owners.

With appropriate legislation, the government now help industrialists, tradesmen and various corporations. Businessmen can now contact the Department of Industry, Trade and Commerce, for instance, and select the program they need, including those designed to increase productivity in the manufacture and use of equipment, accessories and building materials. There are also a number of other programs: the small businesses assistance program; the Industrial Research and Development Incentives Act, the machinery program, the program to increase productivity, the pharmaceutical industry development assistance program, the shipbuilding assistance program. When we examine other government programs, we find that several sectors are assisted.

The services offered to employers by the Department of Manpower and Immigration include a service for employers, the manpower adjustment program, the business management training program and the industrial manpower training program. There are even special treatments concerning exports. To date, all these programs have given concrete results and precisely because these programs provide for loans at preferential rates and grants, we have to welcome them.

But only certain social classes benefit from these programs and that is why I think the motion I propose can supplement the plan in force; its implementation would be easy since it does not call for any expenses.

Even if most Canadian home owners do not contribute to the electoral fund of the old parties, I think they are entitled to a minimum of protection. To this day and without any real opposition, Canadian home owners have accepted all tax charges: municipal, school, and urban community taxes, sales tax and the 11 per cent tax on building materials. The list grows longer each year, and we know that this has resulted in trebling tax costs.

In the Quebec City area, houses built ten years ago for $12,000 now have an estimated value of $19,000 to $20,000.

Mr. Speaker, what businessmen and big corporations do with tax is resort to the wear and tear clause.

Unfortunately, that is not the case for the single family homeowners, since not only can the homeowner not do a thing about the depreciation on his own house, but he is forced to accept the assessment increases. So we see that as a result of scientific assessments, the value of the house is increasing with time.

For science's sake, we see a further rise in the price of our properties. There follows interesting results in the financial respect, since all over the country homeowners have seen their municipal and school taxes increase threefold in 10 years. The mayors of our cities, who know how to calculate, and who even show some honesty, are warning us that the tax increases we had to pay up until now are only a beginning, since we should expect to see the taxes increase twofold within five years. In other words, the homeowner who had to pay $300 10 years ago, and who

is paying $900 today, should expect to have to pay $1,800 bills in 1980.

Mr. Speaker, unless measures are taken to correct the indebtment system we know, a costly and inhuman system indeed, we will witness many individual bankruptcies.

Families unable to pay their insurance premiums, school and municipal taxes as well as high mortgage payments will have to give up their home. The balance sheet of our cities and municipalities show an increase in public service costs, it is true, but these same balance sheets also show that, in some cases, debt servicing eats up 40 and sometimes 50 per cent of the budget.

Under the present system, no one can expect a reduction of this portion absorbed by finance. Indeed, a table published by Statistics Canada shows that Quebec municipalities that had spent $234,530,000 on their debts in 1971 had to pay $273,166,000 for the same service in 1972.

As for the increased cost of municipal and school services, we cannot put all the blame on local or regional authorities because, unfortunately, they are also dependent on the system. It is common knowledge that in order to promote the development of municipalities, the Social Credit has been suggesting for a long time that loans be granted to provinces at low interest rates. Therefore, provinces could distribute these funds in proportion to the needs and under the terms determined by municipalities or school boards.

But until such time as those steps are taken, our administrators will be at grips with the many problems that are growing worse every year. They have nc recourse, to make ends meet, other than increasing taxes or else multiplying loans. But precisely because some cities are knee-deep in debt, we too often have tax increases. Until now, owners have managed to survive either by borrowing right and left, or because both the man or the woman have a source of income, or because the family head has had a recent increase in salary.

But how much longer, Mr. Speaker, will owners stand up under the burden of taxes over taxes? What about retired people on a fixed income, and the large number of low-income owners?

It is true that some workers get a small increase every year, but as salaries go up the staircase, taxes go up the elevator so you will agree that those increases, fall far short of what family heads need to meet their responsibilities. We recognize that the Canadian government has multiplied its housing activities. It has also multiplied the funds made available to the provinces for residential construction. We know that the loans granted for the construction of new houses can go up to 90 per cent of their loan value up to $20,000 and 80 per cent for the rest up to $25,000. But after the increase in interest rates, we note that a great many prospective owners have had to abandon their projects, especially in Quebec, where the housing crisis still exists. Moreover, it is important to remember that Quebec is also the province of tenants.

● (1610)

A Statistics Canada paper tabled in the House in the spring of 1971 told us for instance that in 1970 48 per cent of Quebecers were tenants and 52 per cent were owners. These significant figures are quite alarming. We wonder, Mr. Speaker, whether the Canadian government does not aim in a small way at establishing a socialist system in Canada where everyone would be a tenant.

If that is the object of the government, Mr. Speaker, I think the Right Hon. Prime Minister (Mr. Trudeau) can rest assured and conclude that he is on the right track, by comparing some figures: he could even set the date of his victory. The documents I mentioned a while ago, which were tabled in this House at the time, at the request of the honourable Member for Compton (Mr. Latulippe), precisely reveal also that in 1966, there were in the province of Quebec 57.9 per cent of "propertied people" against 42.1 per cent of tenants, which means that owners are becoming tenants at the rate of 1 per cent per year. Therefore, the conclusion is rather simple. If there is no real improvement before long, in 25 years from now only one quarter of the people will be owners while three quarters of them will be tenants.

Therefore I repeat, Mr. Speaker, if that is what the government wishes, there is no problem, we only have to let things go their way.

On the other hand, if the Liberal government wishes to be the champion of capitalism, of private enterprise, I believe the time has come to show it by passing legislation to encourage first the head of family, owner of his house. If it has become a complicated thing for Canadians to own a house and to preserve what they acquired through their work, it is only, I think, because laws and regulations enacted by Parliament or the various departments do not reflect the opportunities that exist in this country. We have space and an abundance of materials and production could even be pressed on if necessary. And on a simple phone call, the manpower centre could send half a million unemployed people to work, since all they ask is work.

Therefore, considering that the 11 per cent sales tax on building materials contributed to the housing rising costs, there are not two ways of proceeding, but only one: let us abolish it. If the increase in mortgage rates contributed to increase the cost of housing, let us reduce them. Since, on March 31, 1967, by a simple vote, the Canadian Government abolished the ceiling on the rates of interest, I suppose that the honourable Minister of Finance (Mr. Turner) could take the necessary steps so that this operation could be repeated in the opposite way. The Minister of Finance must know, I suppose, that we, members of parliament, have the power to set the rates of interest.

The housing problem is turning into a tragedy, the victims are many and apparently, no one feels responsible; even in private, the guilty ones, the members of the present government feel entirely innocent. Like some other members, I suggest that this little game has lasted long enough. Liberal members who are sitting here today should forget for a while about their campaign fund subscribers and care more about their constituents.

Today, I move, seconded by the hon. member for Compton (Mr. Latulippe) that the owners of single family dwellings get an income tax rebate equal to the amount of the interest on their mortgage and the amount of their municipal and school taxes up to $1,000 a year. I hope to get the support of all the members of this House because

this is what all the people want. Even the liberal supporters ask for it.

Last fall, every newspaper in this country reported that the liberal supporters at their meeting in the federal capital passed a resolution to exempt from base interest paid and even mortgage interests.

The Société Saint-Jean-Baptiste from la Chaudière, at their annual meeting last fall at ville Saint-Georges-de-Beauce, chaired by Mr. André Breton, a liberal organizer, passed a resolution to that effect. The members of the School Trustees Association from all Canadian provinces at their meeting in Quebec in May, 1973 asked for the same thing. The resolution reads as follows:

"That the Canadian School Trustees Association send a petition to the Minister of Finance of the Canadian government and Ministers of Finance of every Canadian province asking them to adopt financial measures allowing owners and tenants of family dwellings to deducts their school taxes from their taxable income"

This resolution was sent to the Minister of Finance (Mr. Turner) and the provincial ministers of finance.

These school trustees coming from all over Canada and representing urban as well as rural communities, stated they were speaking on behalf of a majority of men and women who assume responsibilities in respect of Canadian taxpayers.

Mr. Speaker, the House also has responsibilities to assume in respect of Canadian taxpayers, and this is why the hon. members of the Social Credit Party of Canada are happy to join with the school trustees in an attempt to ask for a little justice for all Canadians who have made efforts and have showed a sense of responsibility.

[*English*]

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise to support this private member's notice of motion to grant an income tax rebate on mortgage interest paid on the family home. This measure is long overdue and it is one that I and other members of the Progressive Conservative Party have advocated for some time. This party supports the principle that a proportion of municipal property taxes and interest on mortgages should be deductible from the federal taxable income of home owners, and that a comparable tax benefit should be extended to tenants.

The Canadian family's dream of owning a single family dwelling is fast fading. Housing costs are soaring daily and mortgage interest rates are at the 10 per cent level. Whether the housing crisis is one of shortage or price is of little consequence to the average Canadian taxpayer who, at best, must be making about $17,000 annually simply to obtain a mortgage before he is able even to consider purchasing a home. Otherwise he is forced to live in an apartment or row housing.

Approximately 70 per cent of Canadians want to own a single family home on a decent sized lot. Today, in Toronto and other Canadian cities, only 5 per cent of the population can afford to buy a home and many of these must pay up to half of their income in mortgage payments. When one hears of such a situation it is very easy to understand why the bill of the hon. member for Portneuf (Mr. Godin) must be accepted by the government and

[Mr. Godin.]

immediate tax concessions granted under the terms of the bill for home buyers and home owners.

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

The CMHC annual report for 1973 states that the thrust of housing in Canada under their administration and that of the Department of Urban Affairs is directed mainly at low or modest income groups. Undoubtedly, throughout 1973 more and more assistance was given to these groups, but there was no government action designed to alleviate the plight of the average Canadian who cannot afford to buy a home. The government has done nothing to ease the current situation of persistently increasing housing prices or excessively high interest rates, except to announce that more research will be undertaken and that it will be approximately five years before the study is completed and another five years before Canadians can expect relief.

This resolution would alleviate the plight not only of new home buyers but present home owners who are being taxed to death by all levels of government. The $100 million that the government is spending on its urban demonstration program would have been more wisely spent on assisting, taxwise, new home buyers and new home owners. I cannot express too strongly, Mr. Speaker, the necessity for this resolution to be accepted. The mechanics of it can be debated in committee. Many other countries have such a tax rebate system, and it is long overdue in Canada.

● (1620)

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I oppose the principle that we should pay a bonus to people who own homes. Such action would create class divisions in our society. We would divide people into those who rent homes and those who own homes. As it is, our present laws confer enormous benefits on home owners because home ownership is a non-taxable benefit. I will mention figures later to demonstrate how our present tax system distorts the entire housing market by giving a bonus to home owners. Any attempt to reward home ownership more can only backfire and make the housing situation worse than it is.

The idea in the hon. member's motion may look good. Home ownership is like motherhood. Historically, municipal and provincial laws in Canada have tended to favour property owners. Unless you owned property, you could not vote and you were considered a second-class citizen in this country. As far back as 100 years we tended to classify people on the basis of whether they were or were not property owners. Property qualifications were necessary if one wanted to vote. At one time one had to own property if one wanted to be a member of parliament.

Mr. Knowles (Winnipeg North Centre): That still holds true for the Senate.

Mr. Saltsman: I suggest that although this qualification may have been valid in a frontier society—and I suspect it was not valid even then—it has no place in a modern society. The tax system, which undoubtedly confers a bonus on the home owner, is inequitable. This means that one group is more favourably treated than another. I do not think any member of this House would say that a person who owns a home or owns property is more worthy of consideration or is a better citizen than the person who rents or does not own property. Although we do not make such distinctions, our tax system makes them; and if we were to accept the hon. member's motion the situation would be even worse. As I said before, it would create serious distortions in the housing market and throw the burden on people who are not home owners.

Members of this House often suggest that the government should abolish the sales tax on building materials. Although getting rid of the sales tax may be highly desirable, I wish people who make that suggestion would say how the government is to make up the lost revenue. Compared with the losses which would be sustained if we paid this bonus to home owners, the loss occasioned by abolishing the sales tax on building materials would be modest. I notice that nobody has told us how much the proposal would cost. Figures have not been given. If you are to provide a bonus to home owners, you must obtain the lost taxes from some other source. If you suggest that we should get them, or part of them, from corporations I would listen sympathetically. Yet corporations are not a bottomless pit. So those who advocate changes in our tax system which confer benefits on one class of persons and not on another must tell us from where the money to make up lost taxes is to come and how we are to make up the difference.

I can understand why my friends in the Social Credit party support this proposal. According to Social Credit theory, the Bank of Canada should make interest-free loans available to our municipalities. Although I disagree with their theory, I at least understand why they are bringing forward this proposal. It looks good in theory. I am only surprised that the Conservative Party has backed it. I think it owes a debt of gratitude to the Social Credit party.

As I said earlier, this kind of bonus would create new class conflicts. At one time, virtually everyone who lived in the city was an actual or prospective home owner. Today that situation has changed markedly, 50 per cent of our people owning property and 50 per cent living in rented accommodation. For a variety of reasons, such as that some people cannot afford the price of a home or cannot afford to maintain a home, although that is not so important, housing today is beyond the reach of the majority of people. Many people in this country do not want to be home owners. Their life style is such that they prefer being free to change their accommodation. They do not want to be tied to a home. They do not think that living in a single family home is the preferred way of living.

That being so, why should parliament say, "We think that is the preferred way of living. We think there is some virtue in home ownership and we will confer extra benefits on the home owner"? If we said that, we would be grossly unfair to the poor and to newcomers who are trying to become established. In some ways we would be acting like the people who form neighbourhood groups because they want to preserve their areas. I can understand their thinking. Too often they are motivated by nothing but self-interest. They do not care about other people who want to come to the city. Their attitude is, "This is my place; I have a special preserve here and I intend to keep it". The fact that some people are coming to the city from Nova Scotia, Newfoundland and Manitoba does not concern them in the least. They say, "If as a consequence of my actions house prices across the city rise, so be it. I don't care as long as my own property is preserved".

Looking back, I can recall that I wanted to become a socialist partly because of my distaste for people who place fantastic emphasis on property as opposed to people. Some think property is far more important than people. They do not care what happens to human beings so long as they preserve their property. It has been said that this great attachment to land, this great attachment to property is the root of virtually all human selfishness. Any law which increases selfishness is not a good law.

I want to illustrate how we subsidize home ownership, how we give benefits to those who own property. An investment in property will bring greater returns than almost any other investment in our society. I shall mention a hypothetical case, but it could well be true. Let us assume that an individual wants to invest $30,000. He can put it into Canada Savings Bonds, into a trust company, or buy a piece of property—assuming he can buy property for $30,000. I think $40,000 is nearer the mark. The figures really do not matter; they are merely used for illustrating my theme.

Let us assume that an individual buys a piece of property in a rural or small community. Its carrying charges would not exceed $100 a month. That is, $100 per month would cover his taxes, heating and some repairs. Therefore, he can live in that house for $100 per month. He can also expect, if present conditions continue—and I do not see why they will not—his home to appreciate by at least $1,200 per year. I know of few homes which have appreciated less. That appreciation is the equivalent of a capital gain on which the owner pays no tax. This means that the individual has invested $30,000 and has provided himself with rent-free accommodation. He pays absolutely nothing for rent in the time he lives in the house. I know there are complicating factors; He may not have the money to put down. The point is, whether he borrows the money or puts it all down he is in a position to obtain a capital appreciation. Home ownership is a non-taxable benefit; he therefore receives a considerable benefit.

● (1630)

I will now consider the other man. If he takes his $30,000 and invests it in Canada Savings Bonds at 8 per cent, or in a trust company, bank investment or even Bell Canada, he gets a return in interest of $2,400, every cent of which is taxable. If he is in the 30 per cent tax bracket, and you do not have to be earning a great deal of money to be in that bracket, he loses $800 in taxes. This leaves a net return of $1,600 on his $30,000 investment.

What can this man rent for $1,600 a year? That works out to about $125 a month. If he has children and wants comparable accommodation to the home which cost him $30,000, he has to pay between $275 and $300 a month. He is being disadvantaged to the tune of about $150 a month because of the distortions in the tax system. The tax system does not have a concept like an imputed benefit. There is no imputed tax in our society and there is no wealth tax.

What are the consequences? The consequences are that anyone with any kind of intelligence in the investment field puts his money into a house, whether he owns the house or not. There are many people who buy homes to increase their investment portfolio or as a hedge against inflation. This results in all kinds of homes being taken off the market. It raises the prices of homes because of the increased competition for the available supply of housing. It puts more pressure on the rest of the people in the housing market whether they are renters or owners. Today many apartments are being converted from rental units to condominiums. The owners can get a better price from buyers of condominium units because of the tax benefits which a condominium owner receives. In some cities serious shortages of rental accommodation have occurred as a result of this.

Rather than take a system which is now very unfair and make it more unfair, this House should try to find a way of levelling off the differences between owners of property and persons who rent. I have no illusions. I hope what I am saying will not be taken out of context or misunderstood. Those who wish to own their homes should do so. What I am suggesting is that we should be fair to everyone in our society. While there are many middle income people who own their own homes, they are still the better off in our society. They at least have the down payment; they at least have some capital as compared with those who rent.

If we want to help those who need help the most, we should to a far greater extent be making public housing available to persons who do not have the down payment for a home and cannot afford to maintain a home with the idea that one day they will benefit from capital appreciation.

[*Translation*]

Mr. Gaston Clermont (Gatineau): Mr. Speaker, we are now studying the motion of the hon. member for Portneuf (Mr. Godin) the adoption of which would mean that the personal income tax act would be amended. I intend to address myself to that particular point and explain the effects of such a measure, without dealing with the reasons invoked by the hon. member for Portneuf, to justify those amendments.

Now, in the course of my remarks, I shall discuss amendments to the income tax act. I believe the former speaker, the hon. member for Waterloo Cambridge (Mr. Saltsman), spoke on this matter.

The mover proposes a rebate on municipal taxes and the mortgage interest the citizen pays on his house. He seems to indicate that the amount paid in municipal taxes, or mortgage interest, to the extent of $1,000, could be deducted from the individual's income tax.

[Mr. Saltsman.]

It is taken for granted that the hon. member for Portneuf does not suggest a direct payment to the taxpayer whose municipal taxes and mortgage interest exceed his total income tax.

Mr. Speaker, the present income tax act does give, even now, a tax rebate or, as is more commonly called, tax credits in one case only: when the income of the taxpayer has already been taxed.

For instance, when a taxpayer receives income from abroad where a tax has already been paid, the income tax act grants a tax credit to be used against Canadian taxes up to a maximum equal to the amount paid to the foreign government. That credit is known as the foreign tax credit.

● (1640)

The dividend exemption is granted because it is acknowledged that dividends paid to a taxpayer originate from incomes already taxed at the corporate level. Apart from those two exceptions, the Income Tax Act grants no further rebates. Moreover, this legislation is based on the principle that personal expenses cannot be deducted. Municipal taxes and mortgage interests for a family dwelling surely belong to the category of personal expenses.

I would like to make now a few general remarks. First, the proposal of the hon. member for Portneuf (Mr. Godin) is contrary to both principles of the tax legislation previously mentioned. By suggesting a tax rebate when no taxed income has been received, he is in fact suggesting that the government should pay the first $1,000 in interest on the mortgage interest and municipal taxes of each taxpayer.

Second, the proposal goes beyond the area of tax deductions. The cost of deductible expenses is at least partly supported by the taxpayer whereas the proposal of the member for Portneuf shifts the whole cost to the Treasury. In this connection, it is more generous than the deduction and therefore even more contrary to the income tax principles which forbid deduction of personal expenses.

First, let us consider the deduction of mortgage interests and municipal taxes while taking into account that anything true of a deduction is also true of a tax rebate except that the proposed tax rebate is even more generous than a deduction.

In principle, the purchase of a house is no different from that of any other asset intended for personal use even though it is generally the most important expense incurred by a taxpayer during his lifetime.

When the Royal Commission on Taxation reviewed some years ago the income tax system, it recommended upholding the principle that personal and living expenses be not deductible. It did not recommend to government a deduction for municipal taxes and mortgage interest payments.

Mr. Speaker, at the introduction of the tax reform in 1971, it was recognized that an incentive to becoming a homeowner was desirable. On the other hand, it seemed preferable to stick to the fundamental rule mentioned above concerning personal expenses deductibility.

The Income Tax Act provides therefore two significant incentives to acquire a home. The first is to allow the

taxpayer to realize a capital gain on the sale of his house without incurring any tax obligation. The second is to continue the practice of not including in the taxpayer's income the economic advantage of owning a house. This advantage, which is the value of the house, can be considered the return on the capital he invested. Incidentally, notice should be taken that other countries, including Great Britain have added in the past this "alleged income" to that of the tax-payer for income tax purposes.

A comparison between the owner and the tenant of a dwelling should illustrate this. For instance, let us say that Mr. Leblanc and Mr. Tremblay each have $20,000 to invest. Mr. Leblanc buys a house and Mr. Tremblay, securities bringing him $1,000 a year.

Every year, Mr. Tremblay must add $1,000 to his income while Mr. Leblanc is adding nothing. Furthermore, Mr. Tremblay must pay rent and, of course, rent is not a deductible expense. It is unlikely that the $1,000 a year, once the income tax is paid, could get him a dwelling like the one Mr. Leblanc got with a capital outlay of $20,000. The result is that Mr. Leblanc is in a better position than Mr. Tremblay from the income tax point of view.

For example, let us assume that, 15 years later, Mr. Leblanc's house is worth $40,000 and Mr. Tremblay's securities are worth $40,000; should both decide to sell, Mr. Leblanc would get all the proceeds of the sale tax free, but Mr. Tremblay would have to add to his income half his capital gain, that is $10,000.

So, Mr. Leblanc has again the advantage compared with Mr. Tremblay. At the present time, the Income Tax Act favours considerably the home owner.

If the government, Mr. Speaker, were to pass a proposal for the granting of a tax deduction or rebate for the interest paid on mortgages, Mr. Leblanc would be still more ahead of Mr. Tremblay because he could purchase a house at a higher price, get a mortgage and deduct the interest. Not only would he not be taxed but also his eventual capital gain would be higher.

Thus, we see that the acceptance of such a proposal would be unfair to the tenant. It would favour the higher income taxpayer in two ways. Firstly, those who are too poor to save the down payment on a house could not avail themselves of this provision. Secondly, the person who owns a dwelling but who has only a small amount of income tax to pay could not take advantage of the full rebate. The maximum rebate of $1,000 would be a very important relief.

Even if the proposal were changed so that the amount was deducted from the income rather than from the tax, it should be much more beneficial to the higher income taxpayer than to the lower income taxpayer.

Having studied in general the advantages the Income Tax Act gives now to home owners and the effect that the deduction of mortgage interest and municipal taxes would have from the point of view of fiscal equality, let us examine now some examples of what would happen if the proposal of the hon. member for Portneuf (Mr. Godin) was adopted.

Let us say that a taxpayer named "A" has a yearly income of $5,000, claims deductions of $4,000 and a taxable income of $1,000; his federal income tax in 1973 would be $75 and his provincial income tax, if he lives in Ontario, would be about $24, which totals $99. If he paid municipal taxes of $200 and made interest payments of $800, it seems he has a right to the $1,000 rebate.

However, the proposal submitted by the hon. member for Portneuf refers to an income tax abatement. The federal government would grant a credit of $75 and his income tax account would become nil. Likewise, considering that provincial income taxes are assessed in a number of provinces as a percentage of the federal income tax, his tax rate would also be nil.

The total benefit to the taxpayer would only amount to $99, or a little over 10 per cent of his housing costs, and this amount of $24 would have been contributed by his province of residence.

I should like to compare this case with that of another taxpayer identified as Mr. B, whose income amounts to $9,000; because of his $4,000 deductions, his taxable income amounts to $5,000. In 1973, he would have paid $875 in federal income tax and approximately $300 in provincial income tax—as an Ontario resident—making a total of $1,175. He would pay $400 in municipal taxes and $600 of interest on his mortgage. According to the motion introduced by the hon. member for Portneuf, this taxpayer would be entitled to a $1,000 income tax abatement.

He would then be entitled to a $875 abatement; therefore, his federal income tax account would become nil, and so would become his provincial account. He would therefore receive a benefit, not of $1,000, but of $1,175, that is, $875 from the federal government and $300 from his province of residence.

Let us now consider the case of Mr. C, a rich man with no mortgage to pay. Because he occupies a very expensive accommodation his municipal taxes amount to $1,000 per yer. He is entitled to a $1,000 exemption from the federal government and a $305 one from the provincial government, if he resides in Ontario. In fact, he has made a tax-free benefit of $305, or 30.5 per cent, simply by paying his municipal taxes.

Mr. Speaker, those three examples illustrate some interesting suggestions. First, the abatement would favour high-income taxpayer at the expense of low-income taxpayers. Second, the overall effect of the abatement would yield an amount greater than the taxpayer's taxes and mortgage interest or the maximum amount of $1,000, because in several cases, provincial tax is related to federal tax. Third, any abatement of this kind would represent a major cost to the provinces.

It must also be noted, Mr. Speaker, that two provinces, Manitoba and Ontario, in cooperation with the federal government, adopted a plan designed to grant tax credits in order to ease the burden of municipal taxes. But those plans have four major imaginative characteristics. First, they are meant to bring as much relief as possible to low-income people. Then, they reduce provincial taxes rather than federal taxes, with the result that provinces subsidize their own municipalities. Furthermore, they help tenants as well as owners. Finally, they pay money directly to people when the credit exceeds the amount of income tax.

The suggestion made by the hon. member for Portneuf would change those provincial plans by giving equal or greater assistance to those who own their own homes and pay high income tax. However, his proposal would not help those who benefit now under those provincial plans.

In conclusion, I will say that the possibility still exists that municipalities could increase their taxes and interest rates on mortgages could go up if the proposal made by the hon. member for Portneuf was accepted. In each case the homeowner is relieved of a major part of his cost which is passed on to the federal government. The result of this is that higher interest rates and municipal taxes would become less burdensome for homeowners. However, the federal government would have to raise in some way or another the money required to finance those abatements.

In conclusion, as I said before, we must consider the matter of revenues, Mr. Speaker. It is impossible to assess what would be the cost to the federal and provincial governments of the tax rebate proposed by the hon. member for Portneuf, but a tax rebate of $500 for half the Canadian taxpayers, that is to say 4 million people, would already amount to $2 billion. I suggest, Mr. Speaker, that consideration must be given to the fact that if the federal government revenues are reduced by $2 billion, new taxes would have to be imposed in order to meet the requirements of government spending.

I have often heard in the past some remarks to the effect that spending could be reduced. But between 1958 and 1963, for instance, the government of the time, which had promised during an election campaign to reduce government spending, increased it every year.

● (1650)

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in the few minutes available I would like to comment on the remarks of the hon. member for Gatineau (Mr. Clermont) who, with all the warmth of an undertaker at a funeral, dealt with the social problem which this motion attempts at least to begin to deal with in terms of an accountant. Surely there is much more to this problem than the cold, stark statistics the hon. member gave us just a few moments ago. Whether we like it or not—and this is not the place to assess blame—there is a housing problem in Canada and housing represents a prime social, economic and physical requirement.

The unmistakable fact is that, whoever is to blame—the hon. member for Gatineau can accept the blame on behalf of his party and the government he supports, if he wishes, and he was among the government's apologists a few moments ago—there is still the housing need to be resolved. I would rather look to the hon. member for Waterloo-Cambridge (Mr. Saltsman), who at least came up with some rationale as to the principle, and I do not agree with everything he said, than the hon. member for Gatineau. The hon. member for Waterloo-Cambridge suggested there was a danger that in this proposal we would be considering persons who own property as more valuable citizens than those who do not. To that extent he is right. If the wording of this motion represents the limit of our imagination in respect of an attack on the problem, then certainly the shortcoming of the motion is that it does favour home owners. That is not to say that during the study a committee would make, if the matter were allowed to go there, its good principle could not be extended to those who rent.

The hon. member said that some 50 per cent of our people rent property, and I have no reason to doubt that. In any event, I think the principle is sound in terms of permitting a lower rate of cost in respect of renting premises, and a lower number of obstacles in respect of ownership of premises or encouraging ownership. Because this is merely a first step, the hon. member for Gatineau speaking for the Liberal Party, ought not to oppose it.

The hon. member for Waterloo-Cambridge asked where we would get the money and how much it would cost in terms of revenue. My researchers have indicated that it would require something in the order of $1 billion a year. I want to say in passing that the contribution the Liberal government made to the corporations when it embraced them in the last budget—

An hon. Member: You supported it.

Mr. Baker: This government made contributions to the corporations through the tax cuts, and if you read the reports you will see that this has not done them very well. Those tax cuts were worth $800 million to the corporations, and I suggest that would make a good start in finding the funds to make up any deficit which there would be under the program proposed in this motion. The point is that the matter of housing and accommodation is extremely important and ought not to be treated with the coldness of an accountant, particularly when you consider the burdens of renters and homeowners today because of difficulties largely created by the ineptness of the policies of this government.

I was surprised to hear the supporter and apologist for this government take the position he did. Our policy, and we make no apology for it, is to go further than the principle behind this motion, which unfortunately is limited to only those who own houses, in an effort to assist persons who are renting property.

I notice from the reaction of hon. members on the other side that they are somewhat uncomfortable about the housing situation which bears as its monument to ineptitude a 9.7 per cent increase in the consumer price index as it relates to housing. Another monument to the government's ineptitude in housing matters is the fact that in the one year, 1972-73, the average increase in the price of a home in Ontario was 26.2 per cent, in British Columbia it was 22.9 per cent and in Alberta 20.3 per cent. Those figures are a condemnation of this government.

The average selling price of a house in the cities of Canada is an indication of the failure of this government. We had an increase in one year in this city of Ottawa of 21.7 per cent. Let hon. members opposite not speak coldly, in terms of tax statistics, because housing in this country has become a social problem largely because of the ineptitude of the government which those apologists are prepared to support in denying the goodness and reasonableness of this motion which represents a first step.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order, please. The private members' business hour is over. It being five o'clock, this House stands adjourned until two o'clock on Monday afternoon.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME I